Risk Factors Comparison 2024-02-29 to 2023-03-02 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

These are not the only ~~Our business is subject to numerous~~ risks and uncertainties ~~. You~~ **the Company faces, and you** should carefully **review and** consider the ~~following~~ **full discussion of the Company' s** ~~risks~~ - **risk** ~~as well as~~ **factors in the section titled " Risk Factors ", together with** the other information ~~included~~ in this Annual Report on Form 10- K. ~~We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or prospects. However, the selected risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition, results of operations or prospects. In such a case, the trading price of our securities could decline and you may lose all or part of your investment in us.~~ Risks Related to Our Business **•** Our gross profit margins may be impacted by a variety of factors, including but not limited to variations in raw materials pricing, retail customer ordering patterns, requirements and mix, sales velocities and required promotional support. **•** ~~Our gross profit as a percentage of net sales fluctuate as a result of competition and other factors, including product pricing, the availability and cost of commodities, raw materials pricing (including ingredients and packaging), labor costs, COVID- 19 and other global health impacts, and energy costs. Further, our gross profit margin may be impacted by shifts in the overall mix of products having a higher or lower profit margin. Should the competitive dynamic change in our industry (which could impact our margins through forces including but not limited to requiring us to alter our pricing strategy, offering a greater percentage of lower profit margin products in our overall product mix, or requiring additional promotional activity), the prices we pay for raw materials, energy or other inputs increase dramatically due to interest rate or market condition changes or other reasons, or any of our customer relationships or relationships with our IOs and third- party distributors change materially, then we may not be able to continue to operate at our current margins. We may be able to pass some or all raw material, energy and other input cost increases to customers, IOs and third- party distributors by increasing the selling prices of our products or decreasing the size of our products; however, higher product prices or decreased product sizes may cause us to be less competitive with our peers and result in a reduction in sales volume or consumption, or increased packaging costs. If we are not able to increase our selling prices or reduce product sizes sufficiently, or in a timely manner, to offset increased raw material, packaging, energy or other input costs, including freight, direct labor, overhead and employee benefits, or if our sales volume decreases significantly, there could be a negative impact on our financial condition and results of operations.~~ Consumers' loyalty to our brands may change due to factors beyond our control, which could have a material adverse effect on our business and operating results. **•** ~~Our business currently depends in a large part on repeat purchases by the same consumers, many of whom are based in our Core Geographies where we have acquired strong regional brands and distribution capabilities. We believe this purchasing pattern is indicative of loyalty to our brands. However, these consumers are under no obligation to continue to repeatedly purchase our products and could stop or materially reduce purchasing our products at any time. These consumers could cease purchasing our products for any number of reasons, some of which are beyond our control, including changing consumer trends, negative publicity regarding our brand, real or perceived quality or health issues with our products, a change in consumers' perception of BFY brands or other specialty brands, or the availability of premium- branded or lower- priced alternative snack products, or for no reason at all. Loss of consumers' loyalty to our brands and the resulting decreased sales to consumers could have an adverse effect on our business and operating results.~~ Demand for our products may be adversely affected by changes in consumer preferences and tastes or if we are unable to innovate or market our products effectively. **•** ~~We are a consumer products company operating in highly competitive markets and rely on continued demand for our products. To generate revenue and profits, we must sell products that appeal to our customers and consumers. Any significant changes in consumer preferences or any inability on our part to anticipate or react to such changes could result in reduced demand for our products and erosion of our competitive and financial position. Our success depends on our ability to respond to consumer trends, including increasing concerns of consumers regarding health and wellness, obesity, product attributes and ingredients, as demonstrated through the BFY movement in our industry. In addition, changes in product category consumption or consumer demographics could result in reduced demand for our products. Consumer preferences may shift due to a variety of factors, including the changes in social trends and activity patterns. Any of these changes may affect consumers' willingness to purchase our products and negatively impact our financial results. Our continued success also is dependent on product innovation, such as new flavors and formats, as well as the introduction of BFY products in response to evolving consumer preference. In order to successfully compete within our industry, we must maintain a robust pipeline of new products, and effective advertising and promotional campaigns, marketing programs and product packaging. Although we devote significant resources to meet this goal, we may not be able to continue to develop and launch successful new products or variants of existing products, or to effectively execute advertising and promotional campaigns and marketing programs.~~ Price reductions implemented by our competitors may negatively impact our sales and shelf space, and may require us to similarly reduce costs or expend additional resources to remain competitive. **•** ~~Competitors, many of whom have greater resources than us, vie for the same shelf placement and may offer incentives to retail customers that we cannot match. In addition, unattractive shelf placement and pricing may put us at a disadvantage to our competitors. Even if we do obtain shelf space or preferable shelf placement for any of our brands, our new and existing products may fail to achieve the sales expectations set by our retail customers, potentially causing these retailers to remove our products from the shelf. Additionally, an increase in the number and quality of private- label products in the product categories in which we compete~~

~~could reduce available shelf space and hamper the placement for our branded products, which could adversely affect our sales. To obtain and keep shelf placement for our products, we may need to increase our marketing and advertising spending in order to create consumer awareness, protect and grow our existing market share or to promote new products, which could impact our operating results. Despite our efforts, our marketing and advertising efforts may not be effective, and we may not be able to protect or grow our existing market share nor successfully promote new products. In addition, we consistently evaluate our product lines to determine whether or not to discontinue certain products. Discontinuing product lines may increase our profitability but could reduce our sales and hurt our brand and consumer loyalty, and a reduction in sales of certain of our products could result in a reduction in sales of other of our products. The discontinuation of product lines may have an adverse effect on our business.~~ Fluctuations in our results of operations from quarter to quarter because of changes in our promotional activities may impact, and may have a disproportionate effect on, our overall financial condition and results of operations. • ~~Our business is subject to quarterly fluctuations due to the timing of, and demand for, consumer- driven promotional activities, which may have a disproportionate effect on our results of operations. Historically, we have offered a variety of sales and promotion incentives to our customers, IOs, and third- party distributors and consumers, such as price discounts, consumer coupons, volume rebates, cooperative marketing programs, slotting fees and in- store displays. In addition, our sales and promotion incentives are typically offered in connection with seasonal social events, holidays and sporting events. Our Net Sales are periodically influenced by the introduction and discontinuance of sales and promotion incentives. Reductions in overall sales and promotion incentives could impact our Net Sales and affect our results of operations in any particular fiscal quarter.~~ Our reputation or brand image might be impacted as a result of issues or concerns relating to the quality and safety of our products, ingredients or packaging, **processing techniques,** and other environmental, social or governance matters, which in turn could negatively impact our operating results. • ~~In order to sell our branded products, we need to maintain a good reputation with our stakeholders, including our customers, consumers, IOs, third- party distributors, suppliers, vendors, associates and equityholders, among others. Issues related to the quality and safety of our products, ingredients or packaging could jeopardize our image and reputation. Negative publicity related to these types of concerns, or related to product contamination or product tampering, whether valid or not and which may not be in our control, could decrease demand for our products or cause production and delivery disruptions. We may need to recall products if any of our products become unfit for consumption, and we could potentially be subject to litigation or government actions, which could result in payments of fines or damages. In addition, negative publicity related to our environmental, social or governance practices could also impact our reputation with customers, consumers, IOs, third- party distributors, suppliers, vendors, associates and equityholders, among others. Costs associated with these potential actions, as well as the potential impact on our ability to sell our products, could negatively affect our operating results.~~ If our products become adulterated or are mislabeled, we might need to recall those items, and we may experience product liability claims and damage to our reputation. • ~~We have in the past and we may, in the future, need to recall some of our products, including any products that we produce for other parties under a private label, if they become adulterated or if they are mislabeled due to our fault or error, or the fault or error of any of our suppliers. We may also be liable if the consumption of any of our products cause sickness or injury to consumers. A widespread product recall could result in significant losses due to the costs of a recall, the destruction of product inventory, losses due to the frustration of our contracts with third parties, and lost sales due to the unavailability of product for a period of time. We could also suffer losses from a significant adverse product liability judgment. A significant product recall or product liability claim could also result in adverse publicity, damage to our reputation, and a loss of consumer confidence in the safety or quality of our products, ingredients or packaging and consumer loyalty. We may not be sufficiently indemnified by our suppliers, or successfully recover under any such indemnification rights, in the event sickness or injury to consumers is caused by any of our supplier' s fault or error. In addition, if other companies recall or experience negative publicity related to a product in a category in which we compete, consumers might reduce their overall consumption of products in that category.~~ Slotting fees and customer charges or charge-backs for promotion allowances, cooperative advertising, and product or packaging damages, as well as undelivered or unsold food products may have a significant impact on our operating results and may disrupt our customer relationships. • ~~Retailers in the grocery industry may charge slotting fees for access to shelf space and often enter into promotional and advertising arrangements with manufacturers that result in the sharing of promotional and advertising costs among the retail customer, distributor or manufacturer. As the retail grocery industry has consolidated and become more competitive, retail customers have sought greater participation by manufacturers in cooperative promotional and advertising arrangements and are more inclined to pass on unanticipated increases in promotional and advertising costs to distributors and manufacturers. Additionally, retailers are exhibiting a greater willingness to take deductions from distributors and manufacturers for damaged products, undelivered and unsold products or to return unsold products to distributors and manufacturers. If we are charged significant and unanticipated promotional allowances or advertising charges directly or indirectly by retail customers, or if we, our IOs, third- party distributors or our direct or indirect customers take substantial charge- backs or return material amounts of our products, the operating results and liquidity of our business could be harmed, perhaps substantially. Moreover, an unresolved disagreement with a retail customer concerning promotional allowances, advertising charges, charge- backs or returns could significantly disrupt or cause the termination of a customer relationship, immediately reducing our sales and liquidity. Because of the limited number of retail customers in the U. S. grocery market, the loss of even a single retail customer, a single stock- keeping unit previously maintained by a retail customer, or a customer of one of our significant IOs or third- party distributors, could have a long- term negative impact on our financial condition and Net Sales. We do not have many contracts with our customers that require the purchase of a minimum amount of our products. Very few of our customers provide us with firm, long- term or short-term volume purchase commitments. As a result of the absence of such contracts, we could have periods during which we have no or limited orders for our products, but we will continue to have certain fixed costs, including those to maintain our work force and other expenses that are subject to contract. We may not be able to find new customers in a timely manner to supplement~~

~~periods where we experience no or limited purchase orders or recover fixed costs as a result of experiencing reduced purchase orders. Periods of no or limited purchase orders for our products could have a material adverse effect on our Net Income or cause us to incur losses. Unanticipated fluctuations in product requirements by our customers could result in fluctuations in our results from quarter to quarter.~~ We operate in the highly competitive snack food industry, which may reduce our ability to sell our products to our customers or consumers if we are unable to compete effectively. • ~~The sales of most of our products are subject to significant competition due to factors including product quality and taste, brand awareness among consumers, access to shelf space at retail customers' locations, price, advertising and promotion, innovation of on- trend snacks, variety of snacks offered, nutritional content, product packaging and package design. We compete in that market principally on the basis of product taste and quality, but also brand recognition and loyalty, price, marketing, advertising and the ability to satisfy specific consumer dietary needs against numerous multinational, regional and local companies, as well as emerging companies, most markedly in the BFY product segment. Historically our growth strategy has utilized acquisitions in the salty snack industry and snack distribution channels as a means of our growth, and we believe that acquisitions will continue to be an important component of our intended growth strategy. Additionally, as a general matter, there is continuing consolidation in the snack food industry and in retail outlets for snack foods by other market participants. Although we gain benefits from the execution of our acquisition strategy, the continuing consolidation has increased, and may continue to increase, competition over such factors as promotional discounting and other price cutting techniques. Consolidation within the snack food industry and retail outlets by others may prevent us from effectively competing if others in the industry that have greater resources than us, and retail customers or potential retail customers, enter into long- term purchase contracts or promotional arrangements. Significant consolidation by others increases the possibility that we could lose one or more major customers, lose existing product authorizations at customer locations, lose market share or shelf space, increase expenditures or reduce selling prices, which could have an adverse impact on our business or financial results. In addition, we compete with emerging companies, primarily in the BFY product segment, some of which may provide innovative or trendier snack foods. In addition, many of these emerging companies receive investment from private equity, venture capital or other investors, who may be willing to accept lower product margins or sustained losses by such competitors, while such competitors gain market share. If such emerging companies are able to attract a loyal consumer base through more innovative or trendier snack foods or offer their snack food products at lower prices than us, our market share and results of operations may be materially and adversely affected. Substantial advertising and promotional expenditures may also be required to maintain or improve our brands' market position or to introduce a new product to the market, and participants in our industry have been engaging with new media, including consumer outreach through social media and web- based channels. Advertising and promotional expenditures may be ineffective if consumers prioritize price over other factors and purchase lower- cost alternatives, such as private label, generic or store branded products. Our ability to compete may also be dependent on the availability of product category- appropriate snack aisles at our retail customers' locations and whether our products are placed in the appropriate snack aisle, such as the BFY snack food aisle or in the traditional snack food aisle. An increasing focus on BFY products and other specialty products in the marketplace will likely increase these competitive pressures within the category in future periods. Due to the competitive landscape in the snack food industry, price increases for our products that we initiate or failure to effectively advertise and promote our products may negatively impact our financial results if not properly implemented or accepted by our customers, IOs, third- party distributors or consumers. Future price increases, such as those made in order to offset increased input costs or other expenditures, such as advertising and promotion, may reduce our overall sales volume, which could reduce our revenue and operating profit. We may not be able to implement price increases driven by higher input costs on a timely basis or at all, either of which may reduce our operating profit. Additionally, if market prices for certain inputs decline significantly, in some instances we may be required by contract to pay customers the difference or experience customer pressure to reduce the prices for our products which could lower our revenue and operating profit. Further, if our advertising or promotional efforts do not increase brand awareness or sales of our products, our expenses may increase, and our operating profit may be reduced.~~ We face competition in our business from private label, generic or store branded products which may result in price point pressures, leading to decreased demand for our products. • ~~We are subject to competition from companies, including from some of our customers, that either currently manufacture or are developing products directly in competition with our products. While we manufacture certain store- branded products for our customers under a private label, these private label, generic or store- branded products may be a less expensive option for consumers than our products, making it more difficult to sell our branded products. If our customers cease to purchase our branded products or select another third- party manufacturer for their private label products, our financial results could be adversely affected. Similarly, other large retail customers or potential customers could follow similar private- label strategies. In future years, we may experience pricing pressure from our customers due to such competition, which could have a material and adverse effect on our operating results.~~ Changes in retail distribution arrangements can result in the loss of retail shelf space and disrupt sales of food products, causing our sales to fall. • ~~From time to time, retailers change distribution centers that supply some of their retail stores. If a new distribution center has not previously distributed our products in that region, it may take time for a retailer' s distribution center to begin distributing new products in its region. Even if a retailer approves the distribution of products in a new region, product sales may decline while the transition in distribution takes place. If we do not get approval to have our products offered in a new distribution region or if getting this approval takes longer than anticipated, our sales and operating results may suffer.~~ Our **direct- to- warehouse ("** DTW **")** delivery network system relies on a significant number of brokers, wholesalers and logistics companies. Such reliance could affect our ability to effectively and profitably distribute and market products, maintain existing markets and expand business into other geographic markets. • Our **direct- store-** ~~DTW network system relies on a significant number of brokers, wholesalers and logistics companies to deliver~~ **delivery** ~~our products to approximately 1, 487 retailer distribution centers as of the end of our 2022 fiscal year. The ability to maintain a DTW system depends on a number of factors, many of which are outside of our~~

control. Some of these factors include: (i " DSD") the level of demand for the brands and products which are available in a particular area surrounding a retailer distribution center; (ii) the ability to price products at levels competitive with those offered by competing producers and at prices that consumers will purchase our products; and (iii) our ability and the ability of third-party logistics companies to deliver products in the quantity and at the time ordered by brokers, wholesalers and retail customers. We may not be able to mitigate the risks related to all or any of these factors in any of our current or prospective geographic areas. To the extent that any of these factors have an adverse effect on our relationships with our brokers, wholesalers or third- party logistics companies, thus limiting maintenance and expansion of the sales market, our revenue and financial results may be adversely impacted. Identifying new brokers, wholesalers or third- party logistics companies can be time- consuming and any resulting delay may be disruptive and costly to our business. Many of our agreements with our brokers, in particular, are terminable by either us or them after satisfaction of a short notice period. There also is no assurance that we will be able to maintain current distribution relationships or establish and maintain successful relationships with brokers, wholesalers or third- party logistics companies in new geographic distribution areas. We may have to incur significant expenses to attract and maintain brokers, wholesalers or third- party logistics companies in one or more geographic distribution areas. The occurrence of any of these factors could result in increased expense or a significant decrease in sales volume through the DTW system and harm our business and financial results. Our DSD network system and regional third- party distributor network relies on a significant number of independent operators and third- party distributors, and such reliance could affect our ability to effectively and profitably distribute and market products, maintain existing markets and expand business into other geographic markets. • Our DSD network and regional third- party distributor network rely on approximately 2, 000 IOs and third- party distributors covering approximately 623 DSD- style routes, in addition to our 140 RSPs, as of the end of our 2022 fiscal year for the distribution and sale of our branded products and some private label products. In order to purchase from us an exclusive right to deliver our products to retail customers in a specific territory, IOs and third- party distributors must make a commitment of capital or obtain financing to purchase such rights and other equipment to conduct their business. Certain financing arrangements, through third- party lending institutions, are made available to IOs and require us to repurchase the rights granted to an IO in the event the IO defaults on its loan; we are then required to collect any shortfall from the IO, to the extent possible. The inability of the IOs to make timely payments on their financing arrangements could require us to make payments on such financing arrangements pursuant to any guarantee agreements we have in place with such IOs' third- party lenders. If we are required to make payments under such guarantees upon default by our IOs of a significant amount under their financing arrangements, the aggregate amount of such payments, could have an adverse effect on our financial results. The ability to maintain a DSD network and regional third- party distributor network depends on a number of factors, many of which are outside of our control. Some of these factors include: (i) the level of demand for the brands and products which are available in a particular distribution area; (ii) the ability to price products at levels competitive with those offered by competing producers; and (iii) the ability to deliver products in the quantity and at the time ordered by IOs or third- party distributors, and retail customers. There can be no assurance that we will be able to mitigate the risks related to all or any of these factors in any of our current or prospective geographic areas of distribution. To the extent that any of these factors have an adverse effect on our relationships with IOs third- party distributors, thus limiting maintenance and expansion of the sales market, our revenue and financial results may be adversely impacted. In addition, we rely on third- party distributors to directly or indirectly promote and sell our products within their assigned distribution areas. We may reimburse third- party distributors for a portion of their costs and expenses incurred in connection with such promotional efforts. If third- party distributors do not efficiently promote our products, we may experience an adverse effect on our financial results. Identifying new IOs and third- party distributors can be time- consuming, and any resulting delay may be disruptive and costly to the business. There also is no assurance that we will be able to maintain current distribution relationships or establish and maintain successful relationships with IOs or third- party distributors in new geographic distribution areas. There is the possibility that we will have to incur significant expenses to attract and maintain IOs and third- party distributors in one or more geographic distribution areas. The occurrence of any of these factors could result in increased expense or a significant decrease in sales volume through the DSD network and regional third- party distributor network and harm our business and financial results. A disruption in the operation of the DSD network, regional third- party distributor network or DTW system could negatively affect our results of operations, financial condition and cash flows. • We believe that our development of our DSD network, regional third- party distributor network and DTW system is a significant competitive advantage. A material negative change in our relationship with our IOs, third- party distributors, brokers, wholesalers and logistics companies could materially and negatively affect our financial condition, results of operations, cash flows, and ability to operate and conduct our business. In addition, litigation or one or more adverse rulings by courts or regulatory or governmental bodies regarding our DSD network, third- party distributor network or DTW system, including actions or decisions that could affect the independent contractor classifications of the IOs, or an adverse judgment against us for actions taken by the IOs could materially and negatively affect our financial condition, results of operations, cash flows, and ability to operate and conduct our business. The evolution of e- commerce sales channels may adversely affect our business, financial condition or results of operations. • Our industry has been affected by changes to the retail landscape through sales over the Internet, including the rapid growth in sales through e- commerce websites, mobile commerce applications and subscription services as well as the integration of physical and digital operations among retailers. If we are unable to develop and maintain successful relationships with existing and new e- commerce retailers or otherwise adapt to the growing e-commerce landscape, while simultaneously maintaining relationships with our key customers, IOs and third- party distributors operating in traditional retail channels, we may be disadvantaged in certain channels and with certain customers, IOs, third-party distributors and consumers, which can adversely affect our business, financial condition or results of operations. In addition, the growth in e- commerce may result in consumer price deflation and higher direct- to- consumer costs, which may adversely affect our margins, as well as our relationships with key retail customers and our IOs and third- party distributors. If

~~these e- commerce retailers were to take significant additional market share away from traditional retailers or we fail to adapt to the rapidly changing retail and e- commerce landscapes, including finding ways to create more powerful digital tools and capabilities for our retail customers to enable them to grow their businesses, our ability to maintain and grow our profitability, share of sales or volume, and our business, financial condition or results of operations could be adversely affected.~~ The rapid expansion of hard discounters may adversely affect our business, financial condition or results of operations. • ~~The growth of hard discounters, which are focused on limiting the number of items they sell and selling predominantly private label brands, may continue to reduce our ability to sell our products through such retailers. The rapid expansion of hard discounters may, among other factors, result in consumer price deflation, which may affect our relationships with key retail customers. Failure to appropriately respond to the expansion of hard discounter retailers may reduce our ability to sell our products in retail locations where consumers may be willing to purchase them, thus adversely affecting our ability to maintain or grow our share of sales or volume, and adversely affecting our business, financial condition or results of operations. In addition, if hard discounters were to take significant additional market share away from traditional retailers or if we fail to adapt to the rapidly changing retail landscape, our ability to maintain and grow our profitability, share of sales or volume and our business, financial condition or results of operations could be adversely affected.~~ Disruption to our manufacturing operations, supply chain or distribution channels could impair our ability to produce or deliver finished products and negatively impact our operating results. • ~~Disruption to our manufacturing operations, our supply chain or our distribution channels, including our DSD network, regional third- party distributor network and DTW system, could result from, among other factors, the following: (i) natural disaster; (ii) pandemic, or epidemic or other outbreak of disease; (iii) adverse developments in crops or other significant ingredient shortfall, due to factors such as famine or climate conditions affecting agricultural materials; (iv) fire or explosion; (v) terrorism or other acts of violence; (vi) labor strikes or other major labor disruptions; (vii) unavailability of raw or packaging materials; (viii) operational or financial instability of key suppliers, and other vendors or service providers, including our IOs, third- party distributors, brokers, wholesalers and logistics companies; (ix) government action or economic or political uncertainties or instability affecting the manufacture, distribution or sale of our products; (x) power, fuel or water shortages; (xi) unanticipated failures to comply with regulatory requirements; and (xii) changes requiring unexpected shifts in production planning which could impact our ability to meet product demand in a cost- effective manner. If we are unable, or find that it is not financially feasible, to effectively plan for or mitigate the potential impacts of such disruptive events on our manufacturing operations or supply chain, our financial condition and results of operations could be negatively impacted.~~ Our future results of operations may be adversely affected by input cost inflation. • ~~Many aspects of our business have been, and may continue to be, directly affected by volatile commodity costs and other market inflationary pressures. Our input costs increased significantly in fiscal year 2021 and fiscal year 2022, and we expect input cost inflation to continue in fiscal year 2023. Commodities and ingredients are subject to price volatility which can be caused by commodity market fluctuations, crop yields, seasonal cycles, weather conditions, temperature extremes and natural disasters (including due to the effects of climate change), pest and disease problems, changes in currency exchange rates, imbalances between supply and demand, and government programs and policies among other factors. Volatile fuel costs translate into unpredictable costs for the products and services we receive from our third- party providers including, but not limited to, distribution costs for our products and packaging costs. While we seek to offset increased input costs with a combination of price increases to our customers, purchasing strategies, cost savings initiatives and operating efficiencies, we may be unable to fully offset our increased costs or unable to do so in a timely manner. If we are unable to fully offset such cost increases, our financial results could be materially adversely affected.~~ Our results could be adversely impacted as a result of increased labor and ~~associate~~ **employee** - related expenses. • ~~Inflationary pressures and any shortages in the labor market could increase labor costs, which could have a material adverse effect on our consolidated operating results or financial condition. Our labor costs include the cost of providing associate benefits, including health and welfare, and severance benefits. The annual costs of benefits vary with increased costs of health care and the outcome of, in certain locations, collectively- bargained wage and benefit agreements. Various federal and state labor laws govern our relationships with our associates and affect operating costs. These laws include associate classifications as exempt or non-exempt, minimum wage requirements, unemployment tax rates, workers' compensation rates, overtime, family leave, safety standards, payroll taxes, citizenship requirements and other wage and benefit requirements for associates classified as non-exempt. Significant additional government regulations could materially and adversely affect our business, financial condition and operating results.~~ A continued shortage of qualified labor could negatively affect our business and materially reduce earnings. • ~~We have experienced shortages of qualified labor across our operations. Participants in our supply chain have also experienced shortages of qualified labor. The future success of our operations, including the achievement of our strategic objectives, depends on our ability, and the ability of third parties on which we rely to supply and to deliver our products, to identify, recruit, develop and retain qualified and talented individuals. As a result, any shortage of qualified labor could significantly and adversely affect our business. Associate recruitment, development and retention efforts that we or such third parties undertake may not be successful, which could result in a shortage of qualified individuals in future periods. Any such shortage could decrease our ability to effectively produce and deliver our products to our customers and consumers, and to achieve our strategic objectives. Such a shortage would also likely lead to higher wages for associates (or higher costs to purchase the services of such third parties) and a corresponding reduction in our results of operations. In the current operating environment, we are experiencing a shortage of qualified labor in certain geographies, particularly hourly workers, resulting in increased costs from certain temporary wage actions, such as hiring and referral and retention bonus program. A continuation of such shortages for a prolonged period of time could have a material adverse effect on our results of operations.~~ The loss of, or a significant reduction in sales to, any key customer can adversely affect our business, financial condition or results of operations. • ~~Our customers include wholesale and other distributors, grocery stores, convenience and drug stores, discount stores, mass merchandisers, membership club stores, hard discounters, and specialty and e- commerce retailers, among others. We must~~

maintain mutually beneficial relationships with our key customers to compete effectively. Any inability to resolve a significant dispute with any of our key customers, a change in the business condition (financial or otherwise) of any of our key customers, even if unrelated to us, a significant reduction in sales to any key customer, or the loss of any of our key customers can adversely affect our business, financial condition or results of operations. Our business, financial condition or results of operations may be adversely affected by increased costs, disruption of supply or shortages of raw materials, energy, water and other supplies. • We and our business partners use various raw materials, energy, water and other supplies in our business. Our supply chain, including our raw materials and other supplies, may be disrupted by unfavorable economic conditions and other disruptions to free and open trade of materials used in our products. In addition, some of our raw materials and other supplies are available from a limited number of suppliers or a sole supplier or are in short supply when seasonal demand is at its peak. We may not be able to maintain favorable arrangements and relationships with our suppliers and our contingency plans, including development of ingredients, materials or supplies to replace ingredients, materials or supplies sourced from such suppliers, may not be effective in preventing disruptions that may arise from shortages or discontinuation of any ingredient that is sourced from such suppliers. In addition, increasing focus on climate change, deforestation, water conservation, animal welfare and human rights concerns and other risks associated with the global food system may lead to increased activism focusing on consumer goods companies, governmental intervention and consumer response, and could adversely affect our or our suppliers' reputation and business and our ability to procure the materials we need to operate our business. The raw materials and energy, including electricity, fuel and natural gas, that we use for the manufacturing, production and distribution of our products are largely commodities that are subject to price volatility and fluctuations in availability caused by many factors, including changes in global supply and demand, weather conditions (including any potential effects of climate change), fire, natural disasters, disease or pests, agricultural uncertainty, pandemics, epidemics or other outbreak of disease, governmental incentives and controls (including import / export restrictions, such as new or increased tariffs, sanctions, quotas or trade barriers), limited or sole sources of supply, political uncertainties, acts of terrorism, governmental instability or currency exchange rates. Shortage of some of these raw materials and other supplies, sustained interruption in their supply or an increase in their costs could adversely affect our business, financial condition or results of operations. Many of our ingredients, raw materials and commodities are purchased in the open market. The prices we pay for such items are subject to fluctuation, and we manage this risk through the use of fixed- price contracts and purchase orders (including buying forward at contracted prices for delivery of such supply within a period of up to a year), pricing agreements and derivative instruments, including options and futures. If commodity price changes result in unexpected or significant increases in raw materials and energy costs, we may be unwilling or unable to increase our product prices or unable to effectively hedge against commodity price increases to offset these increased costs without suffering reduced volume, revenue, margins and operating results. In addition, certain of the derivatives used to hedge price risk do not qualify for hedge accounting treatment and, therefore, can result in increased volatility in our net earnings in any given period due to changes in the spot or market prices of the underlying commodities. Water is a limited resource in many parts of the world. The lack of available water of acceptable quality and increasing pressure to conserve water in areas of scarcity and stress may lead to supply chain disruption; adverse effects on our operations; higher compliance costs; capital expenditures (including additional investments in the development of technologies to enhance water efficiency and reduce water consumption); higher production costs; the cessation of operations at, or relocation of, our facilities or the facilities of our suppliers, contract manufacturers, distributors, joint venture partners or other third parties; or damage to our reputation, any of which could adversely affect our business, financial condition or results of operations. We rely on local government and municipal agencies to provide several resources, including water, electricity and natural gas, in such quantities and of such quality to be of use as inputs for our products. These local government and municipal agencies are subject to various regulations and political pressures from numerous stakeholders, which may cause them to conserve resources or fail to protect the quality of these resources, at times when we rely on them to timely deliver our products to our customers. If these agencies are unable or unwilling to deliver resources of a suitable quantity or quality we may not be able to deliver products in the quantity and at the time ordered by our customers, IOs, third- party distributors, brokers, wholesalers and retail customers, which may have a material and adverse effect on our results of operations. Pandemics, epidemics or other disease outbreaks may change or disrupt consumption and trade patterns, supply chains, and production processes, which could materially affect our operations and results of operations. Pandemics, epidemics or other disease outbreaks could significantly change consumption patterns for our products. These changes could force us to rapidly adapt to those new patterns, and, if we do not, our business could be materially and adversely affected. Additionally, pandemics, epidemics or other disease outbreaks, may depress or otherwise impact demand for our products because quarantines may inhibit consumption or as the result of other factors. Restrictions on public gatherings or interactions may also limit the opportunity for our customers and consumers to purchase our products, especially in certain of our sales channels, such as food service. Any economic downturn caused by any pandemic, epidemic or other disease outbreak may also cause substantial changes in consumer behavior, some of which we may not be able to predict with certainty, including: • A shift in consumer preference toward private label products and changes in consumer behavior to retail outlets that do not sell any, or a significant portion, of our products, such as hard discounters. See " — Our performance may be impacted by general economic conditions or an economic downturn. " • Rapid growth in sales through e- commerce websites, mobile commerce applications and subscription services, which is a channel through which we may not be able to effectively compete. See " — The evolution of e- commerce sales channels may adversely affect our business, financial condition or results of operations. " The spread of pandemics, epidemics or other disease outbreaks may also disrupt logistics necessary to distribute products to us or our customers. Ports and other channels of entry may be closed or operate at only a portion of capacity, as workers may be prohibited or otherwise unable to report to work and means of transporting products within regions may be limited for the same reason. Our operations, or those of suppliers and other members of our supply chain, or IOs, third- party distributors and other participants in our distribution channels may become limited in their ability to procure,

~~distribute, or produce our products because of transport restrictions related to quarantines or travel bans. Workforce limitations and travel restrictions resulting from pandemics, epidemics or other disease outbreaks and related government actions may impact many aspects of our business. If a significant percentage of our workforce is unable to work, including because of catastrophes, illness, travel or government restrictions in connection with pandemics, epidemics or other disease outbreaks, our operations may be negatively impacted. We have developed, and periodically update, our contingency plans to address disruptions such as pandemics, epidemics and other disease outbreaks, or similar disruption in our operations. If in the event of such a disruption our contingency plans are partially, or entirely, ineffective our operations and results of operations could be materially and adversely harmed.~~ Labor ~~costs, commodity~~ costs and logistical costs are increasing in the current economic climate, which has adversely affected our business operations and results of operations ~~and~~ **. These rising costs, as well as any increase in commodity costs,** may ~~continue to do so~~ **adversely affect our business operations and results of operations** in the future. Our efforts to raise prices may not be successful at offsetting these cost increases and may have other adverse effects. **•** ~~We have experienced operational challenges to our production facilities and logistics networks, shortage of labor and impacts from increases in prices of packaging materials and commodities, all of which are increasing costs company- wide. In response to these inflationary costs, we have instituted price increases for our products. We cannot assure you that these price increases will be accepted by our customers without significant loss of sales, and we cannot guarantee that the price increases will sufficiently offset the inflationary pressures. If compressed gross profits continue or if we experience a loss of sales due to price increases, we may not be able to undertake future initiatives to drive growth.~~ Our financial position may be adversely affected by an unexpected event carrying an insurance obligation for which we have inadequate coverage. **•** ~~We are primarily self-insured, up to certain limits, for associate group health claims. We purchase stop- loss insurance, which will reimburse us for individual and aggregate claims in excess of certain annual established limits. We are also primarily self- insured through large deductible insurance plans for automobile, general liability and workers' compensation. We have utilized a number of different insurance vehicles and programs for these insurable risks and recognizes expenses and reserves in accordance with the provisions of each insurance vehicle / program. We believe that our insurance coverage is customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not commercially reasonable to insure. These losses, should they occur, could have a material adverse effect on our business, financial condition or results of operations. In addition, the cost of insurance fluctuates based upon our historical trends, market conditions, and availability. We estimate the liabilities and required reserves associated with the risks we retain. Any such estimate or actuarial projection of losses is subject to a considerable degree of variability. Among the causes of this variability are changes in benefit levels, medical fee schedules, medical utilization guidelines, severity of injuries and accidents, vocation, rehabilitation and apportionment and unpredictable external factors affecting inflation rates, discount rates, rising healthcare costs, litigation trends, legal interpretations, benefit level changes, actual claim settlement patterns, and pandemics, epidemics and other disease outbreaks. If actual losses incurred are greater than those anticipated, our reserves may be insufficient and additional costs could be recorded in our consolidated financial statements. If we suffer a substantial loss that exceeds our self-insurance reserves, and any excess insurance coverage, the loss and attendant expenses could harm our business, financial condition, or results of operations. We have purchased stop- loss coverage from third parties for certain associate healthcare plans, which limits our exposure above the amounts we have self- insured. In addition, while we currently maintain insurance coverage that is intended to address certain costs associated with aspects of our business, this insurance coverage, to the extent we utilize it, may not, depending on the specific facts and circumstances surrounding an incident, may be insufficient to cover the actual losses or the types of claims that arise from an incident, or the damage to our reputation or brands that may result from an incident.~~ Changes in the legal and regulatory environment could limit our business activities, increase our operating costs, reduce demand for our products or result in litigation. ~~The conduct of our businesses, including the procurement, production, storage, distribution, sale, display, advertising, marketing, labeling, health and safety practices, transportation and use of many of our products, are subject to various laws and regulations administered by federal, state and local governmental agencies in the United States, as well as to laws and regulations administered by government entities and agencies outside the United States in markets in which our products or components thereof (such as packaging) may be made, manufactured or sold. These laws and regulations and interpretations thereof may change, sometimes dramatically, as a result of a variety of factors, including political, economic or social events. Such changes may include changes in:~~ • ~~Food and drug laws (including U. S. Food and Drug Administration regulations and other applicable regulations); • Laws related to product labeling, including but not limited to California' s Proposition 65; • Advertising and marketing laws and practices; • Laws and programs restricting the sale and advertising of certain of our products; • Laws and programs aimed at reducing, restricting or eliminating ingredients present in certain of our products; • Laws and programs aimed at discouraging the consumption of products or ingredients or altering the package or portion size of certain of our products; • Increased regulatory scrutiny of, and increased litigation involving, product claims and concerns regarding the effects on consumers' health from ingredients in, or attributes of, certain of our products; • Farming and environmental laws; • Taxation requirements, including the imposition or proposed imposition of new or increased taxes or other limitations on the sale of our products; • State consumer protection and disclosure laws; • Anti-corruption laws; • Laws regulating transportation, including the use of motor vehicles; • Employment and labor laws, including laws regulating associate or independent contractor classification; • Privacy laws; • Export control laws; • Laws regulating the price we may charge for our products; and • Competition or antitrust laws. New laws, regulations or governmental policy and their related interpretations, or changes in any of the foregoing, including taxes or other limitations on the sale of our products, ingredients contained in our products or commodities used in the production of our products, may alter the environment in which we do business and, therefore, may impact our operating results or increase our costs or liabilities.~~ As a food manufacturing company, all of our products must be compliant with regulations by various governmental authorities, the laws of the various states and localities where we operate and sell products, and a number of our products rely on independent ~~certifications~~

certification from regulatory agencies to label our products adequately and in compliance with laws and regulations. Any non-compliance with regulations or certification could harm our business. • ~~We must comply with various FDA, FTC and USDA rules and regulations and the various state and localities where we operate and sell products (" Local Laws "), including those regarding product manufacturing, food safety, required testing and appropriate labeling of our products. It is possible that FDA, FTC and USDA regulations thereof may change over time. As such, there is a risk that our products could become non-compliant with the applicable regulations and any such non- compliance could harm our business. In addition, we rely on independent certification of our non- genetically modified organisms (" GMO "), organic, gluten- free and Kosher products and must comply with the requirements of independent organizations or certification authorities in order to label our products as such. Currently, the FDA does not directly regulate the labeling of Kosher or non- GMO products as such. The FDA has defined the term " gluten- free " and we must comply with the FDA' s definition if we include this label on our products. Our products could lose their non- GMO and gluten- free certifications if our raw material suppliers lose their product certifications for those specified claims. We could also lose our Kosher product certification if our production facility or a contract manufacturing plant is found to be in violation of required manufacturing or cleaning processes. The loss of any of these independent certifications, including for reasons outside of our control, could harm our business. We also must comply with state rules and regulations, including Proposition 65 in California, which requires a specific warning on or relating to any product that contains a substance listed by the State of California as having been found to cause cancer or birth defects or other reproductive harm, unless the level of such substance in the product is below a safe harbor level established by the State of California. Interpretation and application of such rules, including potential differences in application on a state by state basis, may give rise to uncertainty as to the appropriate labeling and formulation of our products. In addition, the FDA has adopted labeling guidelines that will affect the labeling of both the front and back of many of our products. We are continually reviewing and revising our labeling activities in advance of new or changed requirements in anticipation of any rules coming into effect and in response to industry litigation trends. The imposition or proposed imposition of additional product labeling or warning requirements may reduce overall consumption of our products, lead to negative publicity (whether based on scientific fact or not) or leave consumers with the perception (whether or not valid) that our products do not meet their health and wellness needs, resulting in adverse effects on our business, financial condition or results of operations.~~ Our future results of operations may be adversely affected by the availability of **organic** ingredients. • ~~Our ability to ensure a continuing supply of ingredients at competitive prices depends on many factors beyond our control, such as climate conditions, increased demand for ingredients by our competitors, changes in national and world economic conditions, currency fluctuations and forecasting adequate need of seasonal ingredients. The ingredients that we use in the production of our products (including, among others, fruits, vegetables, nuts and grains) are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, water scarcity, temperature extremes, frosts, earthquakes and pestilences. Natural disasters and adverse weather conditions can lower crop yields and reduce crop size and crop quality, which in turn could reduce our supplies of ingredients or increase the prices of ingredients. Such natural disasters and adverse weather conditions can be caused or exacerbated by climate change, and the spate of recent extreme weather events, including the current drought conditions in the Western United States, the extreme cold, snow and ice experienced in Texas in February 2021 and the heat wave in the Pacific Northwest in June 2021, presents an alarming trend. If our supplies of ingredients are reduced, we may not be able to find enough supplemental supply sources on favorable terms, if at all, which could impact our ability to supply products to our customers and adversely affect our business, financial condition and results of operations. We also compete with other manufacturers in the procurement of product ingredients, which may be less plentiful in the open market than conventional product ingredients. This competition may increase in the future if consumer demand for products increases. This could cause our expenses to increase or could limit the amount of products that we can manufacture and sell.~~ Potential liabilities and costs from litigation, claims, legal or regulatory proceedings, inquiries or investigations can have an adverse impact on our business, financial condition or results of operations. • ~~We and our subsidiaries are party to a variety of litigation, claims, legal or regulatory proceedings, inquiries and investigations, including but not limited to matters related to our advertising, marketing or commercial practices; product labels, the difference between the actual capacity of a container and the volume of product contained in such container (which is referred to as " slack fill "), claims and ingredients; our intellectual property rights; environmental, privacy, employment, tax and insurance matters; and matters relating to our compliance with applicable laws and regulations. We evaluate such matters to assess the likelihood of unfavorable outcomes and estimate, if possible, the amount of potential losses and establish reserves as we deem appropriate. These matters are inherently uncertain and there is no guarantee that we will be successful in defending ourselves in these matters, or that our assessment of the materiality of these matters and the likely outcome or potential losses and established reserves will be consistent with the ultimate outcome of such matters. In the event that management' s assessment of actual or potential claims and proceedings proves inaccurate or litigation, claims, proceedings, inquiries or investigations that are material arise in the future, there may be a material adverse effect on our business, financial condition or results of operations. Responding to litigation, claims, proceedings, inquiries, and investigations, even those that are ultimately non- meritorious, requires us to incur significant expense and devote significant resources, including the time and attention of our management, and may generate adverse publicity that damages our reputation or brand image, resulting in an adverse impact on our business, financial condition or results of operations.~~ We may be unable to successfully identify and execute or integrate acquisitions. • ~~We have periodically acquired other businesses or business assets and we plan to selectively pursue acquisitions in the future to continue to grow and increase our profitability. Our acquisition strategy is based on identifying and acquiring brands with products that complement our existing products and identifying and acquiring brands in new categories and in new geographies for purposes of expanding our platform of snack foods. Although we regularly evaluate multiple acquisition candidates, we cannot be certain that we will be able to successfully identify suitable acquisition candidates, negotiate acquisitions of identified candidates on terms acceptable to us, or integrate acquisitions that we complete. Our acquisition strategy involves numerous risks and uncertainties,~~

including intense competition for suitable acquisition targets, which could increase valuations or adversely affect our ability to consummate deals on favorable or acceptable terms, the potential unavailability of financial resources necessary to consummate acquisitions in the future, the risk that we improperly value and price a target, the inability to identify all of the risks and liabilities inherent in a target company notwithstanding our due diligence efforts, the diversion of management' s attention from the operations of our business and strain on our existing personnel, increased leverage due to additional debt financing that may be required to complete an acquisition, dilution of our stockholder' s net current book value per share if we issue additional equity securities to finance an acquisition, difficulties in identifying suitable acquisition targets or in completing any transactions identified on sufficiently favorable terms and the need to obtain regulatory or other governmental approvals that may be necessary to complete acquisitions. In addition, any future acquisitions may pose risks associated with entry into new geographic markets, including outside the United States, distribution channels, lines of business or product categories, where we may not have significant or any prior experience and where we may not be as successful or profitable as we are in businesses and geographic regions where we have greater familiarity and brand recognition. Potential acquisitions may also entail significant transaction costs and require a significant amount of management time, even where we are unable to consummate or decide not to pursue a particular transaction. In addition, even when acquisitions are completed, integration of acquired entities and business lines can involve significant difficulties, such as failure to achieve financial or operating objectives with respect to an acquisition, strain on our personnel, systems and operational and managerial controls and procedures, the need to modify systems or to add management resources, difficulties in the integration and retention of customers or personnel and the integration and effective deployment of operations or technologies, amortization of acquired assets (which would reduce future reported earnings), possible adverse short- term effects on cash flows or operating results, diversion of management' s attention from the operations of our business, integrating personnel with diverse backgrounds and organizational cultures, coordinating sales and marketing functions and failure to obtain and retain key personnel of an acquired business. Failure to manage these acquisition growth risks could have an adverse effect on us. The geographic concentration of our markets may adversely impact us if we are unable to effectively diversify the markets in which we participate. • Our legacy business has been heavily concentrated in the Northeast and Mid- Atlantic regions of the United States. In recent years, however, through a series of acquisitions, we have expanded our geographic footprint to include locations across the United States. This expansion, however, is relatively recent and we remain subject to the risks associated with entry into new geographic markets, including failure to achieve financial or operating objectives with respect to the newly expanded regions. See " — We may be unable to successfully identify and execute or integrate acquisitions " for a summary of risks associated with our geographic expansion and acquisition strategy. Further, it is possible that the failure to effectively integrate acquired companies based in new geographic markets may frustrate our goal of diversifying our geographic presence, following which we may remain vulnerable to the financial risks associated with the lack of diversity. We may not be able to attract and retain the highly skilled people we need to support our business. • We depend on the skills and continued service of key personnel, including our experienced management team. In addition, our ability to achieve our strategic and operating goals depends on our ability to identify, hire, train and retain qualified individuals. We also compete with other companies both within and outside of our industry for talented personnel, and we may lose key personnel or fail to attract, train and retain other talented personnel. Any such loss or failure may adversely affect our business or financial results. We may also lose the service of key personnel and significant portions of our workforce for extended periods of time due to pandemics, epidemics or other disease outbreaks. Our ability to be successful is also dependent upon the efforts of the board of directors of the Company Board and key personnel to oversee and operate a public company. We cannot assure you that the Company Board and our key personnel will be effective or successful or remain with us. In addition to the other challenges they will face, such individuals may be unfamiliar with certain requirements of operating a public company, which could cause our management to expend time and resources becoming familiar with such requirements. Activities related to identifying, recruiting, hiring and integrating qualified individuals may require significant time and expense. We may not be able to locate suitable replacements for any members of the Company Board or key personnel who leave or suffer extended illness or disability, or offer employment to potential replacements on reasonable terms, each of which may adversely affect our business and financial results. A portion of our workforce is represented by unions. Failure to successfully negotiate collective bargaining agreements, or strikes or work stoppages, could cause our business to suffer. Some of our associates are covered by collective bargaining agreements, and other associates may seek to be covered by collective bargaining agreements. Strikes or work stoppages or other business interruptions could occur if we are unable to renew these agreements on satisfactory terms or enter into new agreements on satisfactory terms or if we are unable to otherwise manage changes in, or that affect, our workforce, which could impair manufacturing and distribution of our products or result in a loss of sales, which could adversely impact our business, financial condition or results of operations. The terms and conditions of existing, renegotiated or new collective bargaining agreements could also increase our costs or otherwise affect our ability to fully implement future operational changes to enhance our efficiency or to adapt to changing business needs or strategy. We may not be successful in implementing our growth strategy, including without limitation, increasing distribution of our products, attracting new consumers to our brands, driving repeat purchase of our products, enhancing our brand recognition, and introducing new products and product extensions, in each case in a cost- effective manner, on a timely basis, or at all. Our future success depends in large part on our ability to implement our growth strategy, including without limitation, increasing distribution of our products, attracting new consumers to our brands, driving repeat purchase of our products, enhancing our brand recognition and introducing new products and product extensions. Our ability to implement our growth strategy depends, among other things, on our ability to develop new products, identify and acquire additional product lines and businesses, secure shelf space from retail customers, increase customer and consumer awareness of our brands, enter into distribution and other strategic arrangements with third- party retailers and other potential distributors of our products and compete with numerous other companies and products. We cannot assure you that we will be able to successfully implement our growth strategy and

continue to maintain growth in our sales. If we fail to implement our growth strategy, our sales and profitability may be adversely affected. Our continued success depends, to a large extent, on our ability to successfully and cost- effectively develop and innovate our product offerings in response to changing consumer preferences and trends with respect to forms, flavors, textures and ingredients. As such, the level of new product innovation and the speed to market with these innovations are critical components of our business. The development and introduction of new products requires substantial research and development and marketing expenditures, which we may be unable to recover if the new products do not achieve commercial success and gain widespread market acceptance. Such failures may arise if our new products do not reach the market in a timely manner or fail to align with consumer tastes, which may occur for many reasons, including our non- exclusive collaboration with third-party seasoning and flavor houses. Product innovation may also result in increased costs resulting from the use of new manufacturing techniques, capital equipment expenditures, new raw materials and ingredients, new product formulas and possibly new manufacturers. There may also be regulatory restrictions on the production and advertising of our new products, and our new products may cannibalize sales of our existing products. In addition, under- performance of new product launches may damage overall brand credibility with customers and consumers. Further, new products may not achieve success in the marketplace, due to lack of demand, failure to meet consumer tastes or otherwise. If we are unsuccessful in our product innovation efforts and demand for our products declines, our business would be negatively affected. Impairment in the carrying value of goodwill or other intangible assets could have an adverse impact on our financial results. The net carrying value of goodwill represents the fair value of acquired businesses in excess of identifiable assets and liabilities, and the net carrying value of other intangibles represents the fair value of trademarks, customer relationships, route intangibles and other acquired intangibles. Pursuant to U. S. generally accepted accounting principles (" GAAP "), we are required to perform impairment tests on our goodwill and indefinite- lived intangible assets annually, or at any time when events occur, which could impact the value of our reporting unit or our indefinite- lived intangibles. These values depend on a variety of factors, including the success of our business, market conditions, earnings growth and expected cash flows. Impairments to goodwill and other intangible assets may be caused by factors outside our control, such as increasing competitive pricing pressures, changes in discount rates based on changes in cost of capital or lower than expected sales and profit growth rates. In addition, if we see the need to consolidate certain brands, we could experience impairment of our trademark intangible assets. There were no adjustments for impairments recorded in fiscal years 2022, 2021 or 2020, apart from an impairment related to our termination of a master distribution right of approximately $ 2. 0 million in fiscal 2022. Significant and unanticipated changes in our business could require additional non-cash charges for impairment in a future period which may significantly affect our financial results in the period of such charge. Disruptions in the worldwide economy may materially and adversely affect our business, financial condition and results of operations. Adverse and uncertain economic conditions may affect distributor, retailer and consumer demand for our products. In addition, our ability to manage normal commercial relationships with our suppliers, contract manufacturers, distributors, retailers, consumers and creditors may suffer. Consumers may shift purchases to lower- priced or other perceived value offerings during economic downturns, making it more difficult to sell our premium products. Due to the relative costs of our products, during economic downturns, it may be more difficult to convince consumers to switch to or continue to use our brands or convince new users to choose our brands without expensive sampling programs and price promotions. In particular, consumers may reduce their purchases of products without GMOs, gluten or preservatives when there are conventional offerings of similar products, which generally have lower retail prices. In addition, consumers may choose to purchase private-label products rather than branded products because they are generally less expensive. Shifts in consumer spending could result in increased pressure from competitors or customers that my require us to increase promotional spending or reduce the prices of some of our products, or limit our ability to increase or maintain prices, which could lower our revenue and profitability. Distributors and retailers may become more conservative in their ordering in response to these conditions and seek to reduce their inventories. Our results of operations depend on, among other things, our ability to maintain and increase sales volume with our existing distributors and retailers, to attract new consumers and to provide products that appeal to consumers at prices they are willing and able to pay. Prolonged unfavorable economic conditions may have an adverse effect on our sales and profitability. Instability in financial markets may also impact our ability, or increase the cost, to enter into new credit agreements in the future. Additionally, it may weaken the ability of our customers, suppliers, IOs, third- party distributors, banks, insurance companies and other business partners to perform their obligations in the normal course of business, which could expose us to losses or disrupt the supply of inputs we rely upon to conduct our business. If one or more of our key business partners fail to perform as expected or contracted for any reason, our business could be negatively impacted. Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products and brands. However, if consumers do not identify with our trademarks or other intellectual property rights, our brand may be significantly and adversely impaired. We consider our intellectual property rights, particularly our trademarks, to be a significant and valuable aspect of our business. We protect our intellectual property rights through a combination of trademark, trade dress, patent, copyright and trade secret protection, contractual agreements and policing of third- party misuses of our intellectual property. Our failure to obtain or adequately protect our intellectual property or any change in law that lessens or removes the current legal protections of our intellectual property may diminish our competitiveness and adversely affect our business and financial results. Competing intellectual property claims that impact our brands or products may arise unexpectedly. Any litigation or disputes regarding intellectual property may be costly and time- consuming and may divert the attention of our management and key personnel from our business operations. We also may be subject to significant damages or injunctions against development, launch and sale of certain products. Any of these occurrences may harm our business and financial results. While we believe that our trademarks and other intellectual property rights provide our business with significant value, we cannot make any assurances that consumers adequately identify with, or will continue to identify with, our trademarks and other intellectual property rights. If consumers do not identify with our trademarks and other intellectual property rights, our brand may be significantly and

~~adversely impaired. Disruptions, failures or security breaches of our information technology infrastructure could have a negative impact on our operations. Information technology is critically important to our business operations. We use information technology to manage all business processes including manufacturing, financial, logistics, sales, marketing and administrative functions. These processes collect, interpret and distribute business data and facilitate communication internally and externally with associates, suppliers, customers and others. We are, or may become, the target of attempted cyber and other security threats. Therefore, we continuously monitor and update our information technology networks and infrastructure to prevent, detect, address and mitigate the risk of unauthorized access, misuse, computer viruses and other events that could have a security impact. We invest in industry standard security technology to protect our data and business processes against risk of data security breach and cyber- attack. Our data security management program includes identity, trust, vulnerability and threat management business processes as well as adoption of standard data protection policies. We measure our data security effectiveness through industry accepted methods and remediate significant findings. We maintain and routinely test backup systems and disaster recovery, along with external network security penetration testing by an independent third party as part of our business continuity preparedness. We also have processes in place to prevent disruptions resulting from the implementation of new software and systems of the latest technology. While we have previously been subject to cyber- attacks and other security breaches, these incidents did not have a significant impact on our business operations. We believe our security technology tools and processes provide adequate measures of protection against security breaches and reduce cybersecurity risks. Nevertheless, despite continued vigilance in these areas, disruptions in or failures of information technology systems are possible and could have a negative impact on our operations or business reputation. Failure of our systems, including failures due to cyber- attacks that would prevent the ability of systems to function as intended, could cause transaction errors, loss of customers and sales, and could have negative consequences to our company, our associates and those with whom we do business. This in turn could have a negative impact on our financial condition and results of operations. In addition, the cost to remediate any damages to our information technology systems suffered as a result of a cyber- attack could be significant. Improper use or misuse of social media may have an adverse effect on our business and financial results. In recent years we have expanded our consumer outreach and communications through use of various social media platforms. However, misuse of social media platforms by individuals, customers, consumers, competitors, or associates may result in unfavorable media attention which could negatively affect our business. Further, our competitors are increasingly using social media platforms to market and advertise products. If we are unable to adequately develop and deploy social media accounts on such platforms it could adversely affect our financial results. Climate change or legal, regulatory or market measures to address climate change may negatively affect our business and operations or damage our reputation. There is concern that carbon dioxide and other greenhouse gases in the atmosphere have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain commodities that are necessary for our products, such as potatoes, oil, flour, wheat, corn, cheese, spices, seasonings and packaging materials. Natural disasters and extreme weather conditions, such as a severe drought, hurricane, tornado, earthquake, wildfire or flooding, may disrupt the productivity of our facilities or the operation of our supply chain and unfavorably impact the demand for, or our consumers' ability to purchase, our products. Concern over climate change may result in new or increased regional, federal or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases. In the event that such regulation is more stringent than current regulatory obligations or the measures that we are currently undertaking to monitor and improve our energy efficiency, we may experience disruptions in, or significant increases in our costs of, operation and delivery and be required to make additional investments in facilities and equipment or relocate our facilities. In particular, increasing regulation of fuel emissions can substantially increase the cost of energy, including fuel, required to operate our facilities' production lines, or transport and distribute our products, thereby substantially increasing the distribution and supply chain costs associated with our products. As a result, the effects of climate change can negatively affect our business and operations. In addition, any failure to achieve our goals with respect to reducing our impact on the environment or perception (whether or not valid) of our failure to act responsibly with respect to the environment or to effectively respond to new, or changes in, legal or regulatory requirements concerning climate change can lead to adverse publicity, resulting in an adverse effect on our business, reputation, financial condition or results of operations. There is also increased focus, including by governmental and non- governmental organizations, investors, customers and consumers on these and other environmental sustainability matters, including deforestation, land use, climate impact and recyclability or recoverability of packaging, including plastic. Our reputation can be damaged if we or others in our industry do not act, or are perceived not to act, responsibly with respect to our impact on the environment. Liabilities, claims or new laws or regulations with respect to environmental matters could have a significant negative impact on our business. As with other companies engaged in similar businesses, the nature of our operations exposes us to the risk of liabilities and claims with respect to environmental matters, including those relating to the disposal and release of hazardous substances. Furthermore, our operations are governed by laws and regulations relating to workplace safety and worker health, which, among other things, regulate associate exposure to hazardous chemicals in the workplace. Any material costs incurred in connection with such liabilities or claims could have a material adverse effect on our business, results of operations and financial condition. The increasing global focus on climate change and the need for corporate change may lead to new environmental laws and regulations that impact our business. Any such laws or regulations enacted in the future, or any changes in how existing laws or regulations will be enforced, administered or interpreted, may lead to an increase in compliance costs, cause us to change the way we operate or expose us to additional risk of liabilities and claims, which could have a material adverse effect on our business, results of operations and financial condition. We are subject to increasing focus on Environmental, Social and Governance (" ESG ") issues, including those related to climate change, and any perceived failure by us to meet ESG initiatives may negatively impact our business. As climate change, land use, water use, deforestation,~~

~~recyclability or recoverability of packaging, plastic waste, ingredients and other ESG and sustainability concerns become more prevalent, federal, state and local governments, non- governmental organizations and our customers, consumers and investors are increasingly sensitive to these issues. This increased focus on sustainability may result in new laws, regulations and requirements that could cause disruptions in or increased costs associated with developing, manufacturing and distributing our products. We could also lose revenue if our consumers change brands, our customers refuse to buy our products, or investors choose not to invest in our common stock if we do not meet their ESG and sustainability expectations. For example, during 2021, some of our major customers requested we respond to various questionnaires to evaluate our ESG efforts. Efforts to meet these standards could impact our costs, and failure to meet our customers' expectations could impact our sales and business reputation. While we strive to minimize the environmental impact of our global operations, we may experience reduced demand for our products and loss of customers if we do not meet their ESG expectations, which could result in a material adverse effect on our financial condition and results of operations. Our debt instruments contain covenants that impose restrictions on our operations that may adversely affect our ability to operate our business if we fail to meet those covenants or otherwise suffer a default thereunder. Our debt instruments require us to comply with certain covenants before engaging in certain activities and terms which may limit our ability to enter into new acquisitions, licenses, mergers, and to take on new debt and sell assets. The terms of our debt instruments could adversely affect our operations and limit our ability to plan for or respond to changes in our business. These and other terms in the debt instruments have to be monitored closely for compliance and could restrict our ability to grow our business or enter into transactions that we believe will be beneficial to our business. If we are unable to comply with covenants in the agreements, commitments by the lenders thereunder may be terminated and the repayment of our indebtedness may be accelerated. In addition, certain of our debt instruments are secured by a portfolio of 17 of our real estate assets, representing a majority of our real estate assets, including manufacturing plants, warehouses, and offices. In the event the secured party exercises its remedies with respect to our real estate assets, we could suffer material and adverse effects on our business, assets and results of operations. Changes in interest rates may adversely affect our earnings and / or cash flows. As of January 1, 2023, we had borrowed an aggregate of $ 867. 4 million subject to variable interest rate terms. In the future, we may have additional debt outstanding with exposure to interest rate risk. As a result, we may be adversely impacted by rising interest rates. Also, at January 1, 2023, we held derivative instruments whose market values are subject to changes in the Secured Overnight Financing Rate (" SOFR ") rate. These derivative instruments have resulted, and may continue to result, in volatility in our financial results due to interest rate fluctuations. The U. K. Financial Conduct Authority, which regulates LIBOR, discontinued certain tenors of LIBOR in 2021 and intends to phase out the remaining tenors of LIBOR by June 30, 2023. The transition from LIBOR to other benchmarks has been the subject of private sector and governmental activity. During fiscal year 2022, we amended our credit agreement to change the reference interest rate applicable to revolving loan borrowings in U. S. dollars from LIBOR to a rate based on the adjusted term SOFR rate (as defined in each of our loan agreements). It is unclear if alternative rates or benchmarks, such as SOFR, will be widely adopted, and this uncertainty may impact the liquidity of the SOFR loan markets. In addition, the transition from LIBOR could have a significant impact on the overall interest rate environment and on our borrowing costs. While we do not expect the transition from LIBOR and the risks related thereto to have a material adverse effect on us, it remains uncertain at this time. Increases in income tax rates, changes in income tax laws or disagreements with tax authorities can adversely affect our business, financial condition or results of operations. Increases in income tax rates or other changes in income tax laws in the United States or any particular jurisdiction in which we operate can reduce our after- tax income from such jurisdiction and adversely affect our business, financial condition or results of operations. An increase in tax rates would also cause a corresponding increase in the Company' s Tax Receivable Agreement (" TRA ") liability as the Company is obligated to share 85 % of the cash tax savings that are attributable to its increased tax basis in the UBH partnership assets per the Business Combination, future exchanges of UBH units for UBI stock by the Continuing Members, and annual TRA Payments, as well as the tax basis step- up that occurred in connection with the acquisition of Kennedy Endeavors, LLC (" Kennedy "), the DSD snacks business of Conagra Brands, Inc. (the " Kennedy Acquisition "). Existing tax laws in the United States have been and could in the future be subject to significant change. For example, in December 2017, the Tax Cuts and Jobs Act (the " TCJ Act "), was signed into law in the United States. While our accounting for the recorded impact of the TCJ Act is deemed to be complete, these amounts are based on prevailing regulations and currently available information, and additional guidance issued by the Internal Revenue Service (" IRS "), may continue to impact our recorded amounts in future periods. Additional changes in the United States tax regime, including changes in how existing tax laws are interpreted or enforced, can adversely affect our business, financial condition or results of operations. We are also subject to regular reviews, examinations and audits by the IRS and other taxing authorities with respect to income and non- income- based taxes. Economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, may make resolving tax disputes more difficult and the final resolution of tax audits and any related litigation can differ from our historical provisions and accruals, resulting in an adverse impact on our business, financial condition or results of operations. The imposition or proposed imposition of new or increased taxes aimed at our products can adversely affect our business, financial condition or results of operations. Certain jurisdictions in which our products are made, manufactured, distributed or sold have either imposed, or are considering imposing, new or increased taxes on the manufacture, distribution or sale of our products, ingredients or substances contained in, or attributes of, our products or commodities used in the production of our products. These tax measures, whatever their scope or form, could increase the cost of certain of our products, reduce consumer demand and overall consumption of our products, lead to negative publicity (whether based on scientific fact or not) or leave consumers with the perception (whether or not valid) that our products do not meet their health and wellness needs, resulting in adverse effects on our business, financial condition or results of operations.~~ Risks Related to the Ownership of our Securities • Resales of shares of our Class A Common Stock could cause the market price of our Class A Common Stock to drop significantly, even if our business is doing well. • ~~We had 80, 882, 334~~

~~shares of Class A Common Stock outstanding as of January 1, 2023, many of which may be freely resold by the holder of such shares or which have been registered by us for resale on a registration statement. We have also registered up to 9, 500, 000 shares of Class A Common Stock that we may issue under the Utz Brands, Inc. 2020 Omnibus Equity Incentive Plan (as amended, the " 2020 Plan "), 1, 500, 000 shares of Class A Common Stock that we may issue under the Utz Brands, Inc. 2021 Employee Stock Purchase Plan, and 1, 557, 941 shares of Class A Common Stock that we may issue under the Utz Quality Foods, LLC 2020 Long- Term Incentive Plan. To the extent such shares have vested or vest in the future (and settle into shares, in the case of restricted stock units), they can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates. In addition, we have granted certain registration rights in respect of shares of Class A Common Stock that are obtainable in exchange for common units of UBH held by the Continuing Members. Potential sales of shares of Class A Common Stock described above or the perception of such sales may depress the market price of our Class A Common Stock. A market for our Class A Common Stock may not continue, which would adversely affect the liquidity and price of our securities. The price of our Class A Common Stock can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. Additionally, if our Class A Common Stock is not listed on, or becomes delisted from, the New York Stock Exchange (" NYSE ") for any reason, and is quoted on an over- the- counter market, the liquidity and price of such securities may be more limited than if we were quoted or listed on NYSE or another national securities exchange. You may be unable to sell your Class A Common Stock unless a market is sustained. Furthermore, our Private Placement Warrants, when exercised, will increase the number of issued and outstanding shares and may reduce the market price of our Class A Common Stock.~~ We are a holding company and our only material asset is our interest in UBH, and we are accordingly dependent upon distributions made by our subsidiaries to pay taxes, make payments under the TRA and pay dividends. **•** ~~We are a holding company with no material assets other than our ownership of the Common Company Units and our managing member interest in UBH. As a result, we have no independent means of generating revenue or cash flow. Our ability to pay taxes, make payments under the TRA and pay dividends will depend on the financial results and cash flows of UBH and its subsidiaries and the distributions we receive from UBH. Deterioration in the financial condition, earnings or cash flow of UBH and its subsidiaries for any reason could limit or impair UBH' s ability to pay such distributions. Additionally, to the extent that we need funds and UBH and / or any of its subsidiaries are restricted from making such distributions under applicable law or regulation or under the terms of any financing arrangements, or UBH is otherwise unable to provide such funds, it could materially adversely affect our liquidity and financial condition. UBH is intended to be treated as a partnership for U. S. federal income tax purposes and, as such, generally will not be subject to any entity- level U. S. federal income tax. Instead, taxable income will be allocated to holders of Common Company Units. Accordingly, we will be required to pay income taxes on our allocable share of any net taxable income of UBH. Under the terms of the Third Amended and Restated Limited Liability Company Agreement of UBH (the " Third Amended and Restated Limited Liability Company Agreement "), UBH is obligated to make tax distributions to holders of Common Company Units (including us) calculated at certain assumed tax rates. In addition to income taxes, we will also incur expenses related to our operations, including payment obligations under the TRA, which could be significant, and some of which will be reimbursed by UBH (excluding payment obligations under the TRA). We intend to cause UBH to make ordinary distributions and tax distributions to holders of Common Company Units on a pro rata basis in amounts sufficient to cover all applicable taxes, relevant operating expenses, payments under the TRA and dividends, if any, declared by us. However, as discussed below, UBH' s ability to make such distributions may be subject to various limitations and restrictions including, but not limited to, retention of amounts necessary to satisfy the obligations of UBH and its subsidiaries and restrictions on distributions that would violate any applicable restrictions contained in UBH' s debt agreements, or any applicable law, or that would have the effect of rendering UBH insolvent. To the extent that we are unable to make payments under the TRA for any reason, such payments will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the TRA and therefore accelerate payments under the TRA, which could be substantial. Additionally, although UBH generally will not be subject to any entity- level U. S. federal income tax, it may be liable under recent federal tax legislation for adjustments to its tax return, absent an election to the contrary. In the event UBH' s calculations of taxable income are incorrect, UBH and / or its members, including us, in later years may be subject to material liabilities pursuant to this federal legislation and its related guidance. We anticipate that the distributions it will receive from UBH may, in certain periods, exceed our actual tax liabilities and obligations to make payments under the TRA. The Company Board, in its sole discretion, will make any determination from time to time with respect to the use of any such excess cash so accumulated, which may include, among other uses, to pay dividends on our Class A Common Stock. We will have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. Dividends on our Class A Common Stock, if any, will be paid at the discretion of the Company Board, which will consider, among other things, our available cash, available borrowings and other funds legally available therefor, taking into account the retention of any amounts necessary to satisfy our obligations that will not be reimbursed by UBH, including taxes and amounts payable under the TRA and any restrictions in then applicable bank financing agreements. Financing arrangements may include restrictive covenants that restrict our ability to pay dividends or make other distributions to its stockholders. In addition, UBH is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of UBH (with certain exceptions) exceed the fair value of its assets. UBH' s subsidiaries are generally subject to similar legal limitations on their ability to make distributions to UBH. If UBH does not have sufficient funds to make distributions, our ability to declare and pay cash dividends may also be restricted or impaired.~~ Pursuant to the TRA, we are required to pay to Continuing Members and / or the exchanging holders of Common Company Units, as applicable, 85 % of the tax savings that we realized as a result of increases in tax basis in UBH' s assets as a result of the sale of Common Company Units for the cash consideration in the Business Combination, the purchase and redemption of the common units and preferred units ~~in~~ **by** the Continuing Members

and the future exchange of the Common Company Units for shares of Class A Common Stock (or cash) pursuant to the Third Amended and Restated Limited Liability Company Agreement and certain other tax attributes of UBH and tax benefits related to entering into the TRA, **making** ~~including tax benefits attributable to~~ payments under the TRA, and those payments may be substantial. ~~At the closing of the Business Combination, the Continuing Members sold Common Company Units for the cash consideration in the Business Combination and may in the future exchange their Common Company Units, together with the surrender and cancellation of an equal number of shares of Class V Common Stock, for shares of our Class A Common Stock (or cash) pursuant to the Third Amended and Restated Limited Liability Company Agreement, subject to certain conditions and transfer restrictions as set forth therein and in the Investor Rights Agreement dated August 28, 2020 (the " Investor Rights Agreement "), entered into between the Company, the Continuing Members, Collier Creek partners LLC, the sponsor of CCH (the " Sponsor "), the Founder Holders, Collier Creek' s independent directors (together with the Sponsor and the Founder Holders, the " Sponsor Parties ") and the representative of the Sponsor (the " Sponsor Representative ") in connection with the Closing of the Business Combination. In addition, we purchased common units and preferred units in the Continuing Members from third- party members, and the Continuing Members redeemed such units from us. These sales, purchases, redemptions and exchanges resulted in increases in our allocable share of the tax basis of the tangible and intangible assets of UBH. These increases in tax basis may increase (for income tax purposes) depreciation and amortization deductions and therefore reduce the amount of income or franchise tax that we would otherwise be required to pay in the future had such sales and exchanges never occurred. In connection with the Business Combination, we entered into the TRA, which generally provides for the payment by it of 85 % of certain tax benefits, if any, that we realize (or in certain cases is deemed to realize) as a result of these increases in tax basis and certain other tax attributes of UBH and tax benefits related to entering into the TRA, including tax benefits attributable to payments under the TRA. These payments are our obligations and not of UBH. The actual increase in our allocable share of UBH' s tax basis in its assets, as well as the amount and timing of any payments under the TRA, will vary depending upon a number of factors, including the timing of exchanges, the market price of the Class A Common Stock at the time of the exchange, the extent to which such exchanges are taxable and the amount and timing of the recognition of our income. While many of the factors that will determine the amount of payments that we will make under the TRA are outside of our control, we expect that the payments it will make under the TRA will be substantial and could have a material adverse effect on our financial condition. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us. To the extent that we are unable to make timely payments under the TRA for any reason, the unpaid amounts will be deferred and will accrue interest until paid; however, nonpayment for a specified period may constitute a material breach of a material obligation under the TRA and therefore accelerate payments due under the TRA, as further described below. Furthermore, our future obligation to make payments under the TRA could make it a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that may be deemed realized under the TRA. In certain cases, payments under the TRA may exceed the actual tax benefits we realize or be accelerated. Payments under the TRA will be based on the tax reporting positions that we determine, and the IRS or another taxing authority may challenge all or any part of the tax basis increases, as well as other tax positions that we take, and a court may sustain such a challenge. In the event that any tax benefits initially claimed by us are disallowed, the Continuing Members and the exchanging holders will not be required to reimburse us for any excess payments that may previously have been made under the TRA, for example, due to adjustments resulting from examinations by taxing authorities. Rather, excess payments made to such holders will be netted against any future cash payments otherwise required to be made by us, if any, after the determination of such excess. However, a challenge to any tax benefits initially claimed by us may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that we might otherwise be required to make under the terms of the TRA and, as a result, there might not be future cash payments against which to net. As a result, in certain circumstances we could make payments under the TRA in excess of our actual income or franchise tax savings, which could materially impair our financial condition. Moreover, the TRA provides that, in the event that (i) we exercise our early termination rights under the TRA, (ii) certain changes of control of the Company or UBH occur (as described in the Third Amended and Restated Limited Liability Company Agreement), (iii) we, in certain circumstances, fail to make a payment required to be made pursuant to the TRA by its final payment date, which non- payment continues until the later of 30 days following receipt by us of written notice thereof and 60 days following such final payment date or (iv) we materially breach any of our material obligations under the TRA other than as described in the foregoing clause (iii), which breach continues without cure for 30 days following receipt by us of written notice thereof and written notice of acceleration is received by us thereafter (except that in the case that the TRA is rejected in a case commenced under bankruptcy laws, no written notice of acceleration is required), in the case of clauses (iii) and (iv), unless certain liquidity exceptions apply, our obligations under the TRA will accelerate and we will be required to make a lump- sum cash payment to the Continuing Members and / or other applicable parties to the TRA equal to the present value of all forecasted future payments that would have otherwise been made under the TRA, which lump- sum payment would be based on certain assumptions, including those relating to our future taxable income. The lump- sum payment could be substantial and could exceed the actual tax benefits that we realize subsequent to such payment because such payment would be calculated assuming, among other things, that we would have certain tax benefits available to us and that we would be able to use the potential tax benefits in future years. There may be a material negative effect on our liquidity if the payments under the TRA exceed the actual income or franchise tax savings that we realize. Furthermore, our obligations to make payments under the TRA could also have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. The NYSE may delist our Class A Common Stock from trading on its exchange, which could limit investors' ability to make transactions in shares of our Class A Common Stock and subject us to additional trading restrictions. Our Class A Common Stock is currently listed on the NYSE. However, we cannot assure you that shares of our Class A~~

~~Common Stock will continue to be listed on the NYSE in the future. In order to continue listing our Class A Common Stock on the NYSE, we must maintain certain financial, share price and distribution levels. It is possible that our Class A Common Stock will cease to meet the NYSE listing requirements. If NYSE delists our Class A Common Stock from trading on its exchange and we are not able to list our Class A Common Stock on another national securities exchange, our Class A Common Stock could be quoted on an over- the- counter market. If this were to occur, we could face significant material adverse consequences, including: • A limited availability of market quotations for our Class A Common Stock; • Reduced liquidity for our Class A Common Stock; • A determination that our Class A Common Stock is a " penny stock " which will require brokers trading in the Class A Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities; • A limited amount of news and analyst coverage; and • A decreased ability to issue additional securities or obtain additional financing in the future. The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as " covered securities. " Because our Class A Common Stock is listed on the NYSE, our Class A Common Stock qualifies as a covered security under the statute. Although the states are preempted from regulating the sale of our Class A Common Stock, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. Further, if our Class A Common Stock were no longer listed on the NYSE, our Class A Common Stock would not qualify as covered securities under the statute and we would be subject to regulation in each state in which we offer our Class A Common Stock and certain senior securities. Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our Class A Common Stock. Securities research analysts may establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, our share price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our share price or trading volume could decline. While we expect research analyst coverage, if no analysts cover us, or cease coverage of us, the market price and volume for our Class A Common Stock could be adversely affected.~~ Delaware law, the Certificate of Incorporation and Bylaws contain certain provisions, including anti-takeover provisions that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable. ~~Our Certificate of Incorporation and the General Corporation Law of the State of Delaware (the " DGCL "), contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by the Company Board and therefore depress the trading price of our Class A Common Stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of the Company Board or taking other corporate actions, including effecting changes in management. Among other things, the Certificate of Incorporation and Bylaws include provisions regarding: • A classified board of directors with three- year staggered terms, which could delay the ability of stockholders to change the membership of a majority of the Company Board; • The ability of the Company Board to issue shares of preferred stock, including " blank check " preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • The limitation of the liability of, and the indemnification of, our directors and officers; • The right of the Company Board to elect a director to fill a vacancy created by the expansion of the Company Board or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on the Company Board; • The requirement that directors may only be removed from the Company Board for cause; • The requirement that a special meeting of stockholders may be called only by the Company Board, the chairman of the Company Board or our chief executive officer, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors; • Controlling the procedures for the conduct and scheduling of the Company Board and stockholder meetings; • The requirement for the affirmative vote of holders of (i) (a) at least 66 2 / 3 % or 80 %, in case of certain provisions, or (b) a majority, in case of other provisions, of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend, alter, change or repeal certain provisions of our Certificate of Incorporation, and (ii) (a) at least 66 2 / 3 %, in case of certain provisions, or (b) a majority, in case of other provisions, of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend, alter, change or repeal certain provisions of our Bylaws, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Company Board and also may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt; • The ability of the Company Board to amend the Bylaws, which may allow the Company Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the Bylaws to facilitate an unsolicited takeover attempt; and • Advance notice procedures with which stockholders must comply to nominate candidates to the Company Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in the Company Board and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of the Company. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in the Company Board or management. In addition, as a Delaware corporation, we will generally be subject to provisions of Delaware law, including the DGCL. Although we will elect not to be governed by Section 203 of the DGCL, certain provisions of the Certificate of Incorporation will, in a manner substantially similar to Section 203 of the DGCL, prohibit certain of our stockholders (other than certain stockholders who are specified in the Investor Rights Agreement) who hold 15 % or more of our outstanding capital stock from engaging in certain business combination transactions~~

~~with us for a specified period of time unless certain conditions are met. Any provision of the Certificate of Incorporation, Bylaws or Delaware law that has the effect of delaying or preventing a change in control could limit the opportunity for stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for the our Class A Common Stock or Class V Common Stock (collectively, without duplication, " Common Stock "). In addition, the provisions of the Investor Rights Agreement provide the stockholders party thereto with certain board rights which could also have the effect of delaying or preventing a change in control. The Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other associates. The Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, other associates, agents or stockholders to us or our stockholders, or any claim for aiding and abetting such alleged breach, (iii) any action asserting a claim against us or any of our current or former directors, officers, other associates, agents or stockholders (a) arising pursuant to any provision of the DGCL, the Certificate of Incorporation (as it may be amended or restated) or the Bylaws or (b) as to which the DGCL confers jurisdiction on the Delaware Court of Chancery or (iv) any action asserting a claim against us or any of our current or former directors, officers, other associates, agents or stockholders governed by the internal affairs doctrine of the law of the State of Delaware shall, as to any action in the foregoing clauses (i) through (iv), to the fullest extent permitted by law, be solely and exclusively brought in the Delaware Court of Chancery; provided, however, that the foregoing shall not apply to any claim (a) as to which the Delaware Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Delaware Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), (b) which is vested in the exclusive jurisdiction of a court or forum other than the Delaware Court of Chancery, or (c) arising under federal securities laws, including the Securities Act of 1933 (the " Securities Act ") as to which the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum. Notwithstanding the foregoing, the provisions of Article XII of the Certificate of Incorporation will not apply to suits brought to enforce any liability or duty created by the Securities Exchange Act of 1934, as amended (the " Exchange Act "), or any other claim for which the federal district courts of the United States of America shall be the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in the Certificate of Incorporation. If any action the subject matter of which is within the scope of the forum provisions is filed in a court other than a court located within the State of Delaware (a " foreign action ") in the name of any stockholder, such stockholder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the forum provisions (an " enforcement action "); and (y) having service of process made upon such stockholder in any such enforcement action by service upon such stockholder' s counsel in the foreign action as agent for such stockholder. This choice- of- forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, stockholders, agents or other associates, which may discourage such lawsuits. Alternatively, if a court were to find this provision of the Certificate of Incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors.~~ Certain of our significant stockholders and Utz Brands Holdings members whose interests may differ from those of our other stockholders will have the ability to significantly influence our business and management. • ~~Pursuant to the Investor Rights Agreement that we entered into with the Sponsor (as amended, the " Investor Rights Agreement "), certain founder members of the Sponsor and their family members (the " Founder Holders "), the Sponsor Representative, the Continuing Members and the independent directors of CCH at the closing of the Business Combination in connection with the Business Combination, we agreed to nominate five designees by each of the Sponsor and the Continuing Members, respectively, to serve on the Company Board for so long as each of them and their respective affiliates and specified family members beneficially own certain specified percentages of certain economic interests in us and UBH held as of the closing of the Business Combination, without duplication. Further, under the Investor Rights Agreement, since the Board increased the number of directors above ten, so long as the Founders Holders or Continuing Members own at least 75 % of the economic interest in us that were held by such party immediately following the Business Combination (a " Qualified Party "), at least one representative of such Qualified Party serving on the Company Board must approve each action of the Company Board. Accordingly, the Continuing Members and the successors to the Sponsor will be able to significantly influence the approval of actions requiring Company Board approval through their voting power. Such stockholders will retain significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers. In particular, the Continuing Members and the successors to the Sponsor could influence whether acquisitions, dispositions and other change of control transactions are approved. Additionally, for so long as the Continuing Members hold at least 50 % of the economic interests held in us and UBH as of Closing (without duplication) they will have consent rights over certain material transactions with respect to us and our subsidiaries, including UBH. The Certificate of Incorporation does not limit the ability of the successors to the Sponsor to compete with us, and any competitive behavior by the Sponsor could negatively impact our business. The successors to the Sponsor, or its successors, and each of their respective affiliates engage in a broad spectrum of activities, including investments in the financial services and technology industries. In the ordinary course of their business activities, the successors to the Sponsor, and each of their respective affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. The Certificate of Incorporation provides that none of the successors to the Sponsor, any~~

of their respective affiliates or any director who is not employed by us (including any non- employee director who serves as one of its officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The successors to the Sponsor, any of their respective affiliates also may pursue, in their capacities other than as members of the Company Board, acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, the successors to the Sponsor may have an interest in pursuing acquisitions, divestitures and other transactions that, in its judgment, could enhance its investment, even though such transactions might involve risks to you. Our business and operations could be negatively affected if it becomes subject to any securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of business and growth strategy and impact our stock price. In **PART I Item 1. Business Unless** the past **context otherwise requires** , **all references** following periods of volatility in **this Annual Report on Form 10- K to** the **“** market price of a company **Company , ” “ we, ” “ us ” or" our ” refer to Utz Brands, Inc. and its consolidated subsidiaries. Our core geographies consist of Alabama, Connecticut, Delaware, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Virginia, Vermont, West Virginia, and Washington (our “ Core Geographies ”), with the rest of the U. S. representing our Expansion geographies (our “ Expansion Geographies ”). Overview We are a leading United States manufacturer of branded salty snacks. We produce a broad offering of salty snacks, including potato chips, tortilla chips, pretzels, cheese snacks, pork skins, veggie snacks, pub / party mixes, and other snacks. Our iconic portfolio of authentic, craft, and “ better- for- you ” (“ BFY ”) brands, which includes Utz, Zapp** ’ s securities , securities class action litigation **On The Border, Golden Flake, and Boulder Canyon, among others, enjoys strong household penetration in the United States, where our products can be found in approximately half of U. S. households** has **as** often **of December 31, 2023. We are the second- largest producer of branded salty snacks in our Core Geographies as of December 31, 2023, based on retail sales and we have historically expanded our geographic / distribution reach and product portfolio organically and through acquisitions. Our company was founded in 1921 in Hanover, Pennsylvania, and benefits from more than 100 years of brand awareness and heritage in the salty snacks industry. As of December 31, 2023, we operate 14 manufacturing facilities with a broad range of capabilities, and our products are distributed nationally to grocery, mass, club, convenience, drug and other retailers through direct shipments, distributors, and approximately 2, 250 DSD routes. Our business benefits from multiple opportunities to deliver attractive long- term profitable growth. Our value creation strategies are focused on driving productivity to enhance margins, reinvesting in marketing and innovation to accelerate revenue growth and continuing to make strategic acquisitions. We believe we are well- positioned for long- term growth as we (a) gained a significant amount of new buyers during 2020 and have continued to add** been **even** brought against **more buyers through 2023, (b) have significant opportunity in our Expansion Geographies and under- penetrated channels, (c) continue to execute productivity efforts** that **will help to fuel incremental marketing and innovation to accelerate growth in sales, (d) continue to make infrastructure improvements to enable us to continue to scale to greater heights, and (e) continue to make strategic acquisitions that deliver strong synergies and that enhance our competitive positioning. We believe each of these growth avenues represents a sizeable opportunity to expand our net sales. In addition, we further anticipate expanding our margins over the long term through supply chain productivity, revenue management, a higher- margin product mix, and higher margins on incremental sales as we leverage our scalable existing platform. Recent Acquisitions and Dispositions During fiscal year 2022, the** company **Company focused on** . Shareholder activism, which could take many forms or arise in a variety of situations, has been increasing **manufacturing and streamlining distribution. In April 2022, the Company purchased a brand new,** recently . Volatility **completed snack food manufacturing facility** in **Kings Mountain, North Carolina from Evans Food Group Ltd. d / b / a Benestar Brands and related affiliates. The Company paid** the stock **full cash purchase** price of our **$ 38. 4 million at the closing and concurrently with the facility purchase, the Company sold 2. 1 million shares of the Company’ s** Class A Common Stock **for $ 28. 0 million, to affiliates of Benestar in a private placement pursuant to Section 4 (a) (2) of the Securities Act of 1933. During fiscal year 2022, the Company bought out and terminated the contracts of multiple distributors who had previously been providing services to the Company. These transactions were accounted for as contract terminations and asset purchases and resulted in expense of $ 23. 0 million for the fiscal year ended January 1, 2023. On February 5, 2024, the Company sold certain assets and brands to affiliates of Our Home ™, an operating company of BFY brands (“ Our Home ”). Under the agreement, Our Home agreed to purchase the Good Health ® and R. W. Garcia ® brands, the Lincolnton, NC, and Lititz, PA manufacturing facilities and certain related assets, and assume the Company’ s Las Vegas, NV facility lease and manufacturing operations (the “ Our Home Transaction ”). In addition, the Company and Our Home will operate under a Transition Services Agreement for 12 months. The total consideration for the transactions is $ 182. 5 million, subject to customary adjustments. In addition, post- closing, the parties will operate under reciprocal co- manufacturing agreements under which Our Home will co- manufacture certain of the Company' s products and the Company will co- manufacture certain Good Health ® products. Certain Good Health ® products will continue to be distributed and sold on the Company' s DSD network for Our Home. Recent Developments During 2023, we introduced our long- term growth strategy focusing on various initiatives. Our portfolio strategy is focused on accelerating investments in marketing and innovation to drive top- line growth and achieve share gains in the attractive Salty Snack category. We plan to further penetrate our Expansion Geographies and untapped channels and customers by further expanding our Power Brands in Expansion Geographies, as well as maintaining our share in our Core Geographies. We plan to transform our supply chain into a more cost- efficient and flexible system. As part of our long- term growth strategy, we intend to enhance our independent operator DSD system to further improve execution and generate higher returns and**

strengthen other organizational capabilities while driving out costs. Additionally, we intend to improve our balance sheet flexibility by accelerating cash generation and maintaining a disciplined capital allocation approach, which will reduce leverage while opportunistically pursuing acquisitions. Our business is managed and reported in one operating segment. However, we strategically manage our portfolio of brands by segregating our sole operating segment into Power Brands and Foundation Brands. Power Brands, in aggregate, enjoy a combination of higher growth and margins, greater potential for value- added innovation, and enhanced responsiveness to consumer marketing as compared to Foundation Brands. As a result, we focus our investment spending and brand- building activities on Power Brands while managing Foundation Brands for cash flow generation to support investment in Power Brands and fund other corporate priorities. We assess the designation of brands as Power Brands or Foundation Brands and reclassify brands based on their alignment with the criteria above. Our Power Brands are comprised of our flagship Utz brand and iconic On The Border ® brand; craft brands such as Zapp' s ®, Golden Flake ® Pork Skins, TORTIYAHS!, and Hawaiian ®; BFY brands such as Boulder Canyon ®; strong regional snacking brands such as Bachman ®, Tim' s Cascade ® Snacks, and" Dirty" Potato Chips ®; and selected licensed brands such as TGI Fridays ®. Our flagship Utz brand generated retail sales in excess of $ 850 million in 2023, representing an approximate 9. 4 % compound annual growth rate (" CAGR") (during 2020 through 2023) and making it one of the 10 largest salty snack brands in the United States by retail sales as of December 31, 2023. Recognized for its iconic logo featuring the " Little Utz Girl " since the 1920s, the Utz brand currently uses the slogan" Family Crafted Flavor Since 1921 ". We sell a variety of salty snacks under the Utz brand, including potato chips, pretzels, cheese snacks, pub / party mixes, and others. Our On The Border brand (" OTB") is a national brand of tortilla chips, salsa and queso. OTB is the # 2 unflavored tortilla chip brand as of December 31, 2023. The acquisition of OTB strengthened the national geographic footprint in our Expansion Geographies and enhanced our presence in the Mass and Club retail channels. Our Boulder Canyon Power Brand anchors our position in the BFY category of salty snacking, which has been a high- growth category in recent years. Boulder Canyon offers a line of premium BFY potato chips, including those made with olive or avocado oils. In the Natural channel as defined by SPINS, LLC, Boulder Canyon is the # 2 potato chip brand, growing 27 % within the channel in 2023 and its " Canyon Cut " rippled avocado oil- based chip is the # 1 selling salty snack item as of December 31, 2023. Our Power Brands also include a number of our authentic craft brands including Zapp' s, Hawaiian, and Golden Flake pork skins. For example, Zapp' s offers a line of premium kettle- cooked potato chips with bold, authentic flavors steeped in its New Orleans roots, including " Voodoo, " " Hotter ' N' Hot Jalapeño, " " Spicy Cajun Crawtators, " and" Cajun Dill Gator- tators, " among others. Hawaiian is a premium kettle chip brand that evokes the feel of the Pacific islands, with exotic flavors like " Sweet Maui Onion, "" Luau BBQ, "" Mango Habanero, " and" Hulapeño. " Our Golden Flake brand, a part of Southern culture since 1923, has a full line of Southern- style pork skins with flavors like " Louisiana Hot Sauce " and" Sweet Heat Barbecue, " which offer great taste and crunch with low carbohydrates. In fiscal year 2023, our Foundation Brands included strong regional snacking brands, such as Golden Flake ® Chips and Cheese, Snyder of Berlin ®, and R. W. Garcia ®; and BFY brands such as Good Health ®, as well as other ~~reasons may in~~ partner and private label brands. On February 5, 2024, the Company sold the Good Health and R. W. Garcia Brands to Our Home. We have historically utilized the strong regional positions and relevance of our Foundation Brands to drive increased distribution for our Power Brands. Products We produce a broad range of salty snack foods, including potato chips, tortilla chips, pretzels, cheese snacks, veggie snacks, pub / party mixes, pork skins, ready- to- eat popcorn, and ~~the~~ other ~~future~~ snacks which include salsa and dips. Our products are packaged in a variety of different sizes and configurations, ranging from individual packages to shareable bulk containers. We also sell certain third- party branded products through our distribution network. We believe our ability to produce a wide range of products differentiates us from some of our competitors whose businesses focus on a particular product type ~~cause~~ because ~~it~~ our broad product assortment enables us to gain greater distribution and shelf space with our customers. Our in- house production capabilities across a range of products also enable us to rapidly respond to evolving consumer needs and preferences and to better create new innovative products to delight consumers. We also believe that our diversified product portfolio results in more predictable and stable financial performance as we are not overly exposed to only one salty snack sub- category. Product Innovation New product innovation is critical in the salty snacks category because consumers both enjoy long- time favorites and like to experiment with new forms, flavors, textures, and ingredients. In particular, our brands have strong competitive positions across an assortment of popular salty snacks, including potato chips, tortilla chips, pretzels, cheese snacks, pub / party mixes, veggie snacks, and pork skins. In particular, Zapp' s Sinfully Seasoned Pretzel Stix is proving to be a very successful innovation. Launched with ~~to~~ two flavors in October 2022, Voodoo and Jazzy Honey Mustard, Zapp' s Pretzel Stix has reached $ 20 million in retail sales and become a top 10 pretzel brand in its first year. Voodoo flavored Zapp' s Pretzel Stix was named " Best Pretzel Stix " in Self Magazine' s February 2023 Pantry Awards and " Best Pretzel " in People Magazines July 2023 Food Awards Edition, while Zapp' s Pretzel Stix was named " Best New Products " in 2023 Progressive Grocer Editors Picks. Strong repeat rates on the ~~target~~ current line and the launch of ~~securities litigation~~ two new on- trend flavors, Spicy Cajun and Sweet Cinnamon and Sugar in 2024 support continued strong momentum for Zapp' s Pretzel Stix. The Utz brand delivered flavor innovation on its core potato chips line with a very positive partnership with Mike' s Hot Honey. As a Summer Limited Time Offer (" LTO "), Utz Mike' s Hot Honey potato chip dollar sales performed five times higher than the previously best Utz LTO. Hot Honey is a winning combination of sweet / spicy and a go- to- flavor for potato chip consumers. Due to this success, Utz Mike' s Hot Honey Potato Chips were transitioned to an everyday item. Additionally, Mike' s Hot Honey will appear as a variety in a new line of flavored pretzels February 2024 called Utz Mixed Minis. On The Border Chips and Dip launched two successful LTOs with Sam' s Club including Creamy Salsa Verde and Southwest flavors. To capture incremental placement and

purchase of On The Border Café, seasonal packaging was launched during key holidays in Summer, Holiday and in Football / Tailgate. We are taking advantage of consumers desire for convenient variety and multipacks with a portfolio of innovation such as the Utz 40 count Classic Snacks Variety Pack, On The Border 30 count Café Variety Pack club LTO, Hawaiian Island 18 count Variety Pack and the new line- up of 10 count multipacks offered in customer favorites such as Utz Original Ripples, Utz Party Mix and Utz Cheese Balls. In the BFY space, we continue to innovate. Boulder Canyon known for BFY oils, such as avocado oil, launched two successful LTOs under the Boulder Batch line, Spicy Green Chili, to take advantage of the hot & spicy trend that has now proven to be the # 1 flavor in salty snacks, and a dill flavored kettle chip in partnership with Grillo' s Pickles, the fastest growing pickle brand. Given our long- standing customer relationships, broad production capabilities, and scalable distribution platform, we plan to continue expanding our presence in certain salty snack sub- categories that we believe are highly synergistic to our existing business. We intend to continue to expand our presence in key salty snack sub- categories through a combination of line extensions of our existing brands, new brand introductions, licensing partnerships with established brands, and / or acquisitions ~~shareholder activism~~ . ~~Securities litigation~~ We believe our expanded presence across key salty snack sub- categories will enhance our competitive position with customers and allow us to leverage our existing manufacturing and distribution infrastructure. As such, the level of new product innovation and the speed to market with these innovations are critical components of our business. Our innovation process begins with our marketing team, which understands our brands and consumers, and works collaboratively with our research & development and innovation leaders to identify new product opportunities that best suit our ~~and~~ brand ~~shareholder activism~~ positions. We develop insights about unsatisfied consumer needs using our market research capabilities, and we track competitive product introductions to ensure appropriate responses. We also collaborate with third- party seasoning and flavor houses to understand the latest trends in consumer flavors and emerging consumer flavor preferences. Going forward, we intend to increase our investments in market research and other resources to generate more consumer insights and new product innovations. We also utilize our flexible manufacturing and distribution platform to streamline the new product innovation process from idea conception through development and commercialization to market. The strategic location of our primary corporate office adjacent to our largest manufacturing plants facilitates strong coordination between our marketing, sales, research & development, and manufacturing professionals, leveraging the innovation experience of senior management and our in- house innovation leaders. Our broad in- house manufacturing capabilities across different product forms and packaging allow us to develop and commercialize new products quickly, and we have the manufacturing flexibility to handle many types of ingredients , including ~~potential proxy contests~~ on- trend BFY oils such as avocado and olive. Our DSD distribution system allows us to efficiently experiment with new products at retail stores driven by the ability to quickly place new items and collect immediate feedback on sell- through trends. Finally , ~~could result~~ given the importance of in - store presence, we are working with world- class design agency partners to implement new packaging, impactful point- of- sale materials, and retail- ready displays. Marketing, Advertising, and Consumer Engagement Our marketing strategy is focused on driving stronger consumer pull for, and building brand equity of, our Power Brands. We conduct marketing efforts through three principal sets of activities: (i) consumer marketing and advertising, including digital and eCommerce, social media, sponsorships, and other consumer promotions; (ii) consumer sales incentives including coupons and rebates; and (iii) trade promotions to support features, displays and other merchandising of our products by our customers. Historically we have relied more heavily on sponsorships, trade promotions, and in- store merchandising for consumer engagement; however, we are making shifts of spending into more consumer awareness and brand- building advertising. In fiscal year 2023, we spent approximately $ 12. 3 million related to consumer marketing and advertising expenses and $ 29. 8 million in cooperative advertising. Consistent with our value creation strategies, we intend to continue to increase our investments in digital and social consumer marketing and advertising focused on our Power Brands as well as continue to allocate our current mix of media spending toward activities with the highest return on investment. We will continue to expand our investments in digital and social media, including as part of our strategy to grow our eCommerce and retailer marketing investments. We believe these marketing strategies will drive long term net sales growth by increasing brand equity, supporting geographic expansion. Customers In fiscal year 2023, our top 10 customers, all of which are retailers, represented approximately 40 % of our invoiced sales, and one customer provided in excess of 10 % of our net invoiced sales in fiscal year 2023. Although orders are processed through purchase orders, as opposed to volume commitments, we have historically benefited from long- term relationships with our key customers, having a sales relationship for more than 20 years on average across our top 15 retail customers. International Substantially all of our invoiced sales occurred in the United States in fiscal year 2023, and we are focused on growing our business in the United States. Since substantially all of our business is in the United States, we believe we have more limited exposure to global economic conditions and foreign exchange fluctuations than companies with more substantial international sales and operations. Competition Our products primarily compete with other salty snacks but also compete more broadly for certain eating occasions with other snack foods. We believe that the principal competitive factors in the salty snacks industry include taste, convenience, product variety, product quality, price, nutrition, consumer brand awareness, media and promotional activities, in- store merchandising execution, customer service, ~~costs -~~ cost- efficient distribution, and access to retailer shelf space. We believe we compete effectively with respect to each of these factors. The salty snacking industry is competitive and includes a number of diverse participants. Our identified competitors include PepsiCo (Frito Lay), Campbell' s (Snyder' s- Lance), Kellogg' s (Pringles), General Mills, Grupo Bimbo, Hershey' s, Hain Celestial, and Arca Continental (Wise), among others. Our products also compete with private label or retailer- branded salty snacks. However, private label branded salty snacks represented only approximately 5. 1 % of US category retail sales for the year ended December 31, 2023, less than its

approximately 5. 5 % share of retail sales since 2018. Historically, the salty snacks category has benefited from favorable competitive dynamics, including low private label penetration and category leaders who compete primarily via marketing and innovation. Importantly, as of December 31, 2023, we are the # 2 brand platform in our Core Geographies, representing over 7 % of total salty snacks category retail sales based on Circana data. As of December 31, 2023, in our Core Geographies, we have the # 2 position in pork skins and in pretzels with 17 % and 15 % of sub- category retail sales, respectively. We have the # 3 position in potato chips, cheese snacks and tortilla chips with 12 %, 7 % and 4 % of sub- category retail sales, respectively. We believe we have a strong and defensible position in our Core Geographies with a significant opportunity to enhance our national position by expanding sales in Expansion Geographies (where we represent 2. 8 % of category retail sales). As of December 31, 2023, we are the # 3 salty snack brand platform in the US, representing 4. 4 % of total salty snacks category retail sales. Notably, in 2023, approximately $ 2. 8 billion of salty snack retail sales were generated by approximately 1, 200 smaller competitors, each with retail sales of less than $ 200 million. We believe this fragmented group of smaller brands provides ~~and~~ - **an** ~~divert~~ **attractive opportunity for us to expand our retail sales by either acquiring or displacing smaller regional or product- specific competitors. Supply Chain Sourcing. The principal ingredients used to manufacture our products include potatoes, oil, flour, wheat, corn, cheese, spices, and seasonings. Our primary packaging materials include flexible films and rigid containers, such as barrels, lids, cartons, and trays. All of our core ingredients are purchased according to rigorous standards to assure food quality and safety. Our principal ingredients are generally available from multiple suppliers, but became more difficult to source beginning in 2021 and continuing into 2023 due to ongoing supply chain constraints. We do not source any of our top 10 inputs under any single- supplier arrangement. As such, we have been able to make satisfactory alternative arrangements in the event of this interruption of supply from our suppliers. No single category of direct material purchases represented more than 15 % of our Cost of Goods Sold in fiscal year 2023. In addition to raw ingredients and packaging, we source energy and liquid fuels for our manufacturing facilities and in- house distribution assets. We utilize various buying strategies to mitigate the impact of changes in input prices, including fixed- price forward purchases as well as commodity hedging arrangements with third parties (particularly for energy, vegetable oils, wheat, and corn). A number of external factors such as weather, commodity markets, and governmental or agricultural programs can affect the cost of raw materials used in our products. To provide greater visibility and mitigate risks, we typically look to enter into pricing arrangements covering a meaningful portion of our forecasted purchases over the next 3 to 18 months. As of December 31, 2023, we estimate that we have entered into pricing arrangements covering approximately 36 % of our budgeted direct material needs in fiscal year 2024. Manufacturing. As of February 14, 2024, we manufacture our products primarily through 10 company- operated manufacturing facilities across the United States. These include three legacy Utz facilities and seven facilities that were added over the last ten years from acquisition (for more details see Item 2 " Properties " in this Annual Report on Form 10- K for more details). Our facilities have the capacity to produce approximately 500 million pounds of salty snacks annually, after the effect of the Our Home Transaction, based on** management' s **estimate** ~~and board~~ of ~~directors' attention and resources from~~ **available capacity, excluding weekly sanitation, over a seven- day work schedule, providing us with significant available capacity to accommodate increased sales. We believe this available capacity across our manufacturing footprint will enable us to leverage existing fixed costs to generate higher margins on incremental organic sales** ~~our~~ - **or acquired brands** ~~business. Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties~~ as ~~to our~~ **well as generate potential** future **cost savings through consolidating** ~~, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist shareholder matters. Further, our stock price could be subject to significant fluctuation or~~ **our manufacturing footprint** ~~otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and shareholder activism. We may not have sufficient funds to satisfy indemnification claims of our directors and executive officers. We agreed to indemnify our officers and directors to the fullest extent permitted by law~~ . Our **manufacturing** ~~obligation to indemnify our officers and directors may discourage stockholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder' s investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our officers and directors pursuant to these indemnification provisions. The valuation of our Private Placement Warrants could increase the volatility in our net income (loss) in our consolidated statements of earnings (loss). The remeasurement of our Private Placement Warrants is the result of changes in stock price and Private Placement Warrants outstanding at each reporting period. The remeasurement of warrant liabilities~~ **facilities** ~~represents the mark- to market fair value adjustments to the outstanding Private Placement Warrants issued in connection with the IPO of CCH. Significant changes in our stock price or number of Private Placement Warrants outstanding may adversely affect our net income (loss) in our consolidated statements of operations and comprehensive income (loss). Our Private Placement Warrants may have an adverse effect on the market price of our Class A Common Stock. We issued in a private placement an aggregate of 7, 200, 000 Private Placement Warrants, each exercisable to purchase one Class A Common Stock at $ 11. 50 per share. Such Private Placement Warrants, when exercised, will increase the number of issued and outstanding Class A Common Stock and may reduce the value of the Class A Common Stock. Compliance obligations under the Sarbanes- Oxley Act require substantial financial and management resources. As a privately held company, UBH was not subject to Section 404 of the Sarbanes- Oxley Act. The standards required for a public company under Section 404 of the Sarbanes- Oxley Act requires that we evaluate and report on our system of internal controls. Because we~~ are **well** ~~no longer deemed to be an emerging growth company, we are required to comply with the independent registered public accounting firm attestation requirement on our internal control over~~

~~financial reporting. Further, we are required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The development of the internal control system to achieve compliance with the Sarbanes -~~ - ~~Oxley Act may impose obligations on us. In fiscal year 2021, we identified and subsequently remediated a material weakness in our internal control over financial reporting; however, in the future if we are unable to implement and maintain~~ **maintained** ~~effective internal control over financial reporting in the future~~ , ~~investors may lose confidence in the accuracy~~ and ~~completeness of our financial reports, and the market price of our common stock may be seriously harmed. The restatement of our financial statements in May 2021 has subjected us to additional risks and uncertainties, including increased professional costs and the increased possibility of legal proceedings. As a result of the restatement of our financial statements,~~ we have ~~become subject~~ **a program** to **ensure appropriate maintenance capital expenditures are undertaken. We also utilize several co- manufacturers for certain products, with the most significant being our OTB branded tortilla chips as well as branded salsa and queso. In** ~~additional -~~ - **addition** ~~risks and uncertainties~~ , **pursuant** ~~including, among others, increased professional fees and expenses and time commitment that may be required~~ to ~~address matters related to~~ the ~~restatements~~ **Our Home Transaction** , ~~and scrutiny~~ **under reciprocal co- manufacturing agreements Our Home will co- manufacture certain** of ~~the SEC~~ **our products and we will co- manufacture certain Good Health ® products. During fiscal 2022, we began investing in talent and process improvements, associated with setting up our Integrated Business Management (" IBM") process, which uses supply and demand planning to optimize manufacturing** and other **supply chain** ~~regulatory bodies which could cause investors to lose confidence in our reported financial information and could subject us to civil or criminal penalties or shareholder litigation. We could face monetary judgments, penalties or other sanctions that could have a material adverse effect on our business, financial condition and results of operations and could cause our stock price to decline. Following the restatement of our historical financial statements, we account for our Warrants as a warrant liability recorded at fair value upon issuance with any changes in fair value each period reported in earnings based upon a valuation report obtained from its independent third- party valuation firm. The impact of changes in fair value on earnings may have an~~ **and logistics processes** ~~adverse effect on the market price of our Class A Common Stock~~ .