

Risk Factors Comparison 2025-02-20 to 2024-02-29 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 risk **risks 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~~ **We operate in the highly competitive and increasingly consolidated snack food industry. If we are unable to compete effectively, it may reduce our ability to sell our products to our customers or consumers. 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 the snack food market against numerous multinational, regional and local companies, as well as emerging companies, including in the BFY product subcategory, 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. 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. Substantial advertising and promotional expenditures may also be impacted by required to maintain or improve our brands' market position or to introduce a new product to the market, and participants in our industry may be engaging in new advertising trends or channels which we are not. Historically, we have offered a variety of factors sales and promotion incentives to our customers, IOs, third- party distributors and consumers, such as price discounts, consumer coupons, volume rebates, cooperative marketing programs, product placement fees and in- store displays, often in connection with seasonal social events, holidays and sporting events. The promotional environment has intensified in recent years, including but not limited to variations robust promotional launches, and. we have been, and may in the future be, limited in our ability to increase prices or adjust product sizes sufficiently on a timely basis, or at all, in order to offset increased input costs, such as raw materials, packaging, energy, freight, labor, and overhead costs or other expenditures, such as advertising and promotion costs, which has the effect of reducing overall sales volume, revenue and operating profit. In addition, 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. Further, companies in the BFY product segment providing innovative or trendy snack foods often receive investments from private equity, venture capital or other investors, who may be more willing to accept lower product margins or sustained losses in order to 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. If our advertising or promotional efforts do not increase brand awareness or sales of our products, our expenses may increase without a corresponding increase in revenue, and our operating profit may be reduced. 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. There is continuing consolidation in the snack food industry and in retail outlets for snack foods by other market participants. Although we benefit from the execution of our own acquisition strategy within the snack food industry and with respect to snack distribution channels, ongoing consolidation in 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 or if 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 or shelf space at customer locations, or lose market share. For example, our competitors vie for the same shelf placement and may offer incentives to retail customers that we cannot match, particularly as a result of consolidation. Even if we 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 or place them in less favorable locations. Additionally, an increase in the number and quality of private- label products in the product categories in which we compete has reduced available shelf space and could continue to 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. We also consistently evaluate our product lines to determine whether it may be necessary 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. Our reliance on key customers and consolidation within the retail industry, in tandem with a rise in hard discounters, may limit our ability to obtain favorable contractual terms and protections with customers and maintain our profitability. Our business relies heavily on maintaining strong relationships with key customers, including wholesale distributors, grocery stores, convenience stores, discount stores, mass merchandisers, membership club stores, hard discounters, specialty retailers, and e-commerce platforms. Given the limited number of retail customers in the U. S. grocery market, the loss of, or a significant reduction in sales to, any key customer can adversely affect our business, financial condition, or results of operations. Any significant dispute, change in the financial condition of a key customer, or reduction in sales to a key customer could have a detrimental impact on our business. Accordingly, our ability to negotiate key terms may be constrained by our need for limited shelf space, our reliance on key customers, and increasing consolidation within the industry. See Customers within Part I, Item 1 Business for further discussion of our exposure to large customers. As retail customers continue to consolidate and our retail customers grow larger and become more sophisticated, our consolidated retail customers may demand lower pricing and increased promotional programs. If we lower our prices or increase promotional support for our products and are unable to increase the volume of our products sold, our profitability and financial condition may be adversely affected. In addition, our customers offer branded and private label products that compete directly with our products for retail shelf space and consumer purchases. Accordingly, there is a risk that our customers may give higher priority to the products of our competitors. In the future, our customers may not continue to purchase our products or provide our products with adequate levels of promotional support. It is also possible that our customers may replace our branded products with private label products. Retailers in the grocery industry also often charge product placement fees for access to shelf space and require manufacturers to participate in promotional and advertising arrangements. These arrangements can result in substantial costs for promotion allowances, cooperative advertising, and product or packaging damages. As the retail grocery industry becomes more competitive and consolidated, retailers are increasingly passing on unanticipated promotional and advertising costs to manufacturers and distributors. Additionally, retailers are more frequently taking deductions for damaged, undelivered, or unsold products, or returning unsold products to manufacturers and distributors. These practices can significantly harm our operating results and liquidity. An unresolved disagreement with a retail customer ordering patterns over these charges could disrupt or terminate the customer relationship, requirements leading to and an mix, immediate reduction in sales velocities 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. Furthermore, we do not have many contracts with our customers that required-require promotional support the purchase of a minimum amount of our products. •Consumers' loyalty to This lack of firm, long-term our- or brands short-term volume purchase commitments means we experience periods with no or limited orders, while still incurring fixed costs to maintain our workforce and other expenses. During such periods, we may change not be able to find new customers quickly enough, due, in part, to factors beyond our control the consolidation in the retail industry, to offset the reduced purchase orders, which could have a material adverse adversely effect affect our net income. Unanticipated fluctuations in product requirements by our customers could also result in significant fluctuations in our results. Meanwhile, the rapid expansion of hard discounters, which focus on selling a limited number of predominantly private label items, may reduce our ability to sell products through these retailers and lead to consumer price deflation, affecting our relationships with key traditional retail customers. Failure to respond appropriately to the expansion of hard discounters could reduce our market share and adversely affect our business and operating, financial condition, or results of operations. •If hard discounters continue to gain market share from traditional retailers, or if we fail to adapt to the changing retail landscape, our profitability and market share could be significantly impacted. 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, which could reduce our revenues. •Price reductions implemented by We are a consumer products company operating in highly competitive markets, and we 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 our- or competitors 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 regarding food, including increasing concerns of consumers regarding health and wellness, obesity, product attributes and ingredient sourcing and content, as demonstrated through the BFY movement in our industry, and other matters relating to our operations, including packaging and shipping practices. 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 sales and shelf space-financial results. Our continued success also is dependent on product innovation, such as new flavors and may require us formats, as well as the introduction of BFY products in response to similarly reduce costs evolving consumer preference. In order to successfully compete within or our expend additional 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 remain competitive, fluctuations in demand for our products may prevent us from meeting this goal, we may not be able to continue to develop and launch successful new products or results variants of existing products, operations from quarter to quarter because of changes in our or to effectively execute advertising and promotional campaigns activities may impact, and marketing programs. Consumers' loyalty to our brands may change due to factors beyond our control, which could have a disproportionate material adverse effect on our business overall financial condition and operating results. Our business currently depends in large part on repeat purchases by the same consumers, many of whom are based in our Core Geographies where we have built strong regional brands and distribution capabilities. We believe this purchasing pattern is indicative of loyalty to our brands. However, these consumers could stop or materially reduce purchasing our products at any time, including due to changing consumer trends, increasing household debt, negative publicity regarding our brand, real or perceived quality or health issues with our products, an increased preference for BFY brands or other specialty brands by consumers, 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 operations- operating results. ←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 equity holders, among others. Issues related to the quality and safety of our products, including with respect to the packaging, labeling, and processing of our products, could jeopardize our image and reputation. Demand for our products could also be affected by consumer concerns regarding the health effects of nutrients or ingredients in any of our products or the overall sustainability or impact of our products and their packaging on the environment. 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. In addition, negative publicity related to our ESG practices, including any ESG- related goals we may set and our progress toward them, any backlash or other implications from the recent " anti- ESG " movement, and any positions, or perceived positions, taken by us on sensitive social or political issues could also impact our reputation with customers, consumers, IOs, third- party distributors, suppliers, vendors, associates and equityholders, among others. Social media has rapidly exacerbated the speed with which negative information or misinformation is disseminated to the consumer population. Further, the 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 related losses damage to our reputation. ← Slotting fees and customer charges or charge- backs for promotion allowances, cooperative advertising, and product or packaging damages, as well as undelivered damage to or our unsold food reputation. We have in the past and we may, in the future, need to recall some of our products may have a significant impact on our operating results and may disrupt our customer relationships. ←

We operate in the highly competitive snack food industry, including any which may reduce our ability to sell our products that to our customers or consumers if we produce for other parties under a are unable to compete effectively. ← We face competition in our business from private label, generic in the event that or our store branded food safety and quality control procedures are ineffective or fail, our products or packaging become adulterated or are mislabeled, we procure ingredients or packaging from third parties that are or become subject to a recall, government authorities determine that any of our products present a food safety risk, our products are tampered with, or other health risks related to our products or packaging emerge. 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 expenses due to the costs of a recall, the destruction of product inventory, losses due to the frustration of our contracts with third parties, or lost sales due to the unavailability of product for a period of time. 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. If we become subject to a significant adverse product liability judgment due to a food safety issue, we may be subject to significant damages and may not be sufficiently indemnified by our suppliers, or able to 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. Moreover, while we maintain product liability insurance and product contamination insurance in amounts we believe to be adequate, claims or liabilities of this sort might be excluded from or in excess of our coverage. A significant product recall or product liability claim could also result in adverse publicity price point pressures, leading damage to decreased demand our reputation, and a loss of consumer confidence in the safety for- or quality of our products, ingredients or packaging. ←

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 DTW network system relies on a significant number of brokers, wholesalers and logistics

companies to deliver our products to approximately 1,300 retailer distribution centers as of the end of our 2024 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) 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 inability to establish or maintain successful relationships with brokers, wholesalers or third-party logistics companies in a cost-effective manner or at all 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 IOs, 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. At the end of the operation of the fiscal year 2024, our DSD network and regional third-party distributor network relied on approximately 2,300 IOs and third-party distributors covering approximately 500 DSD-style routes, in addition to our DTW system RSPs for the distribution and sale of our branded products and some private label products. In order to purchase from us the 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 and 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 inability to identify, establish and maintain distribution relationships with IOs and third-party distributors in a cost-effective manner or at all 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. In addition, litigation or one or more adverse rulings by courts or regulatory or governmental bodies regarding our DSD network or third-party distributor network, 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 results of operations, financial condition and, results of operations, cash flows, and ability to operate and conduct our business. The evolution of e-commerce retailers and 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 expansion growth in sales through e-commerce websites, mobile commerce applications and subscription services as well as the integration of hard discounters 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. The growth in e- commerce has also encouraged the entry of new competitors and business models, intensifying competition by simplifying distribution and lowering barriers to entry. If 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 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 could result from, among other factors, the following: (i) natural disasters; (ii) pandemics, epidemics or other outbreaks of disease; (iii) adverse developments in crops or other significant ingredient shortfalls, due to factors such as famine or climate conditions affecting agricultural materials; (iv) fires or explosions; (v) terrorism or other acts of violence; (vi) labor strikes or other major labor disruptions; (vii) unavailability of raw or packaging materials; (viii) the 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 actions or economic or political uncertainties or instability affecting the manufacture, distribution or sale of our products, including the impact of any changes in tariff policy in the U. S. and abroad; (x) power, fuel or water shortages; and (xi) 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 and profitability may continue to be adversely affected by inflation, including from rising labor costs and we may not be able to effectively offset such inflation and volatility. Many aspects of our business have been, and may continue to be, directly affected by inflationary pressures and volatile commodity and other input cost costs inflation. Our input costs increased significantly in fiscal years 2021 and 2022; while input costs have since stabilized, many of our ingredients and packaging inputs and logistical costs remain elevated compared to historical levels. 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. Many of our ingredients, raw materials and commodities are purchased in the open market, and some are only available from a limited number of suppliers. The prices we pay for such items are subject to fluctuation. While we manage this risk through the use of fixed- price contracts and purchase orders, 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 could be adversely impacted as a . In addition, certain of the derivatives used to hedge price risk do not qualify for hedge accounting treatment and, therefore, can result of in increased labor volatility in our net earnings in any given period due to changes in the spot or market prices of the underlying commodities. Volatile fuel costs also translate into unpredictable costs for the products and employee services we receive from our third - party providers including, but not limited to, distribution costs for our products and packaging costs. Labor costs are also related- elevated expenses. A continued, in part due to shortage shortages of qualified labor . 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 other benefit arrangements. We are continuing to experience a shortage of qualified labor in certain geographies, particularly hourly workers, resulting in increased costs from certain temporary wage actions. Further, we distribute our products and receive materials through the freight transportation market, and reduced trucking capacity due to shortages of drivers can increase costs and reduce service levels due to lack of freight transportation availability. Additionally, an inability to enhance robotic technology to automate processes in our manufacturing and distribution facilities could make us more dependent on a labor force than our competitors, which could increase our exposure to labor shortages. Any substantial increase in these costs negatively affect impact on our profitability. 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 our - or business and materially reduce earnings unable to do so in a timely manner . Further, if compressed gross profits continue or if we experience a loss of , or a significant reduction in sales due to price increases , we may not be able to undertake future initiatives to drive growth any key customer 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 Pandemics, epidemics or our business partners use various raw materials, energy, water and other supplies in our business. 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 disease- disasters outbreaks, such as floods, droughts, wildfires, water scarcity, temperature extremes, frosts, earthquakes and pestilences. Water is a limited resource in many many change or 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 disrupt 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 and trade patterns, supply chains, and production processes 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 materially affect our operations and results of operations. Labor costs and logistical costs are increasing in the current economic climate, which has adversely affected our business operations and results of operations. These rising costs, as well as any increase in commodity costs, may adversely affect our business, financial condition or results of operations. We rely on local government and results of operations 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 the them future. Our efforts to raise prices 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 successful able to deliver products in the quantity and at offsetting these the cost increases time ordered by our customers, IOs, third-party distributors, brokers, wholesalers and retail customers, which may have other a material and adverse effects effect on. Our financial position may be adversely affected by an unexpected event carrying an insurance obligation for which we have inadequate coverage. Changes in the legal and regulatory environment could limit our business activities, increase our operating costs, reduce demand for our products or our result results in litigation of operations. As a food manufacturing company, all of our products must be compliant with laws and regulations promulgated by various governmental authorities, and 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 or other regulatory action. Our business is required to comply with regulations promulgated by various governmental authorities, including without limitation the laws and regulations of the various U. S. federal government, U. S. states and localities where we operate and sell products, and a number government entities and agencies outside of the U. S. in markets where our products or components thereof may be made, manufactured, or sold. For example, we must comply with various FDA, FTC and USDA rules, including those regarding product manufacturing, food safety, required testing and appropriate labeling of our products. In addition, we rely on independent certification of from regulatory agencies to label our products adequately and in compliance with laws and regulations. Any non-compliance 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. Our products could lose their non-GMO, organic 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 must also 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. Failure by any of our co-packers or other suppliers to comply with regulations, or certification allegations of compliance failure could harm also affect our operations and exposure to damages. Additionally, laws and regulations and interpretations thereof that affect our business may change, sometimes dramatically, as a result of a variety of factors, including political, economic or social events. Our future Such changes may involve laws relating to food, drugs, product labeling, advertising and marketing, portion sizes, nutrition, farming, the environment, taxation, consumer protection, anti-corruption, transportation, employment and labor, data privacy and cybersecurity, export controls, pricing, or competition. New laws, regulations or governmental policies 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 of operations may be adversely affected by the availability of organic ingredients. 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; actions relating to the trading of our securities; 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. In particular, the resolution of litigation or regulatory matters could require material

changes to our operations or result in losses that may be in excess of existing insurance coverage or otherwise not covered by our insurance program. Furthermore, 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 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, expanding geographically, 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, expanding geographically, 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. We may be unable to successfully identify and execute acquisitions or dispositions or to successfully integrate acquisitions or carve out dispositions. • 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 and the limitations on indemnification or other protections to mitigate those risks, 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. 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. 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 retain key personnel of an acquired business. Failure to manage these acquisition growth risks could have an adverse effect on us.

From time to time, we also evaluate potential dispositions that align with our strategic objectives. The success of these initiatives depends on our ability to identify suitable buyers and negotiate favorable valuation and other risk allocation terms. We also may not be successful in separating any divested assets or businesses, which could have significant operational impacts. Further losses on the divestiture of, or lost operating income from, such assets or businesses may adversely affect our future earnings. Any divestitures also may result in continued financial exposure to the divested businesses following the transaction, such as through indemnification obligations. 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 acquisitions or dispositions or to successfully integrate acquisitions or carve out dispositions. ” above in this section 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 geographical 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. 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 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. 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 (“ U. S. 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 successful--- success of in implementing our business, market conditions, earnings growth strategy 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 2024, 2023 or 2022, 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. For additional information regarding impairments to our goodwill and intangible assets, see Goodwill and Indefinite- Lived Intangible Assets under Critical Accounting Policies and Estimates within Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations and Note 5. Goodwill and Intangible Assets, Net within the Audited Financial Statements. 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, including in response to developing artificial intelligence technologies, 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. Additionally, the continued use of certain of the Company' s trademarks is contingent on third- party license agreements, and the termination or cancellation of any such license agreement may negatively impact our business. 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 and subject us to significant losses. 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. Cyberattacks and other cyber incidents are occurring more frequently, are constantly evolving in nature, are becoming more sophisticated and are being made by groups and individuals with a wide range of expertise and motives, including without limitation criminal hackers, hacktivists, state-sponsored institutions, terrorist organizations and individuals or groups participating in organized crime. Such cyberattacks and cyber incidents can take many forms, including without limitation cyber extortion, denial of service, social engineering, such as impersonation attempts to fraudulently induce employees or others to disclose information or unwittingly provide access to systems or data, introduction of viruses or malware, such as ransomware through phishing emails, website defacement or theft of passwords and other credentials. We and third parties with which we have shared data are, or may become, the target of attempted cyber and other security threats, and we have experienced cybersecurity incidents in the past and may experience them in the future. While we believe our security technology tools and processes provide adequate measures of protection against security breaches and reduce cybersecurity risks and we have business continuity plans designed to respond to other system disruptions, 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 (or the systems of third party systems on which we rely), 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 damage to our information technology systems suffered as a result of a cyber-attack could be significant. While we currently maintain insurance coverage that, subject to its terms and conditions, is intended to address costs associated with certain aspects of cybersecurity incidents and information technology failures, this insurance coverage may not, depending on the specific facts and circumstances surrounding an incident, cover any or all losses or types of claims that arise from an incident. See Item 1C.

Cybersecurity for further discussion of our cybersecurity risk management, governance, and incidents. 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 of and supply chain costs associated with our products. As a result, attracting the effects of climate change can negatively affect our business and operations. Concern over climate change is also increasingly impacting consumer behavior, including preferences for packaging, shipping and other operational practices that are perceived to reduce or delay the impacts of climate change. 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. 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 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 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. 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. This increased focus on sustainability may also 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, driving repeat purchase of our customers refuse to buy our products, enhancing our brand-- or investors choose not to invest in our common stock if we do not meet their ESG brand-- 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 recognition--- condition --and introducing results of operations. At the same time, stakeholders and regulators have increasingly expressed or pursued opposing views, legislation, and investment expectations with respect to ESG initiatives, including the enactment or proposal of "anti- ESG " legislation or policies. Moreover, we may determine that it is in the best interest of our Company and our stockholders to prioritize other business, social, governance or sustainable investments over the achievement of our current commitments based on economic, regulatory and social factors, business strategy or pressure from investors, activist groups or other stakeholders. 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. Certain of our debt agreements contain cross- default provisions with other debt, which means that a default under certain of our debt instruments may cause a default under such other debt. If we are unable to comply with covenants and terms in the agreements, commitments by the lenders thereunder may be terminated and the repayment of our indebtedness may be accelerated, and for any debt that is secured, lenders could take possession of the assets securing such debt. As a result, any default under our debt covenants could have a material adverse effect on our financial condition and our ability to meet our obligations. Changes in interest rates may adversely affect our earnings and / or cash flows. As of December 29, 2024, we had borrowed an aggregate of \$ 690. 1 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 fluctuating interest rates. Also, as of December 29, 2024, we held derivative instruments whose market values are subject to changes in the Secured Overnight Financing Rate (" SOFR "). These derivative instruments have resulted, and may continue to result, in volatility in our financial results due to interest rate fluctuations. Disruptions in the worldwide financial markets may materially and adversely affect our ability to obtain new credit. Instability in financial markets may 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 are contracted for any reason, our business could be negatively impacted. The imposition or proposed imposition of new or increased income or product taxes 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 and adversely affect our business, financial condition or results of operations. In particular, 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. 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 2020 business combination, future exchanges of common limited liability company units of UBH (" Common Company Units") for shares of the Company' s stock by the Noncontrolling Interest Holders, and annual TRA Payments, as well as the tax basis step- up that occurred in connection with the acquisition of Kennedy Endeavors, LLC in 2019. We are also subject to regular reviews, examinations and audits by the Internal Revenue Service (" 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. Additionally, certain jurisdictions in which our products and 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 product- products extensions-, ingredients or substances contained in each case-, or attributes of, our products or commodities used in a- 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. Pandemics, epidemics or other disease outbreaks may change or disrupt consumption 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, production, or distribution patterns for our products, including, without limitation, by causing quarantines, restrictions on public gatherings, economic downturns, disruptions to supply chain logistics, or workforce or travel restrictions. We have developed, and periodically update, our contingency plans to address disruptions such as pandemics, epidemics and other disease outbreaks. However, if in the event of such a disruption our contingency plans are partially or entirely ineffective, our ability to maintain production output could be materially and adversely impacted, which could result in an inability to meet delivery requirements and generate revenue. We are subject to risks from changes to the trade policies and tariff and import / export regulations by the U. S. and / or other foreign governments. Changes in the import and export policies, including trade restrictions, new or increased tariffs or quotas, embargoes, sanctions and countersanctions, safeguards or customs restrictions by the U. S. and / or other foreign governments, could require us to change the way we conduct business and adversely affect our financial condition, results of operations, reputation and our relationships with customers, suppliers and employees in the short - effective manner or long- term. Though our business is predominantly located within the U. S. , certain of our materials, equipment, and other costs may be sourced from outside of the U. S., and changes in laws and policies impacting those countries from which we currently source our materials could adversely affect our business. Additionally, our U. S.- based vendors may be dependent on international sources a timely basis, and changes in laws and policies impacting countries from which or our at all vendors obtain materials could adversely affect our business.

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 83, 537, 542 shares of Class A Common Stock outstanding as of December 29, 2024, 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 Noncontrolling Interest Holders. Furthermore, the exercise of up to 7, 200, 000 private placement warrants, will increase the number of issued and outstanding shares when exercised, and may reduce the market price of our Class A Common Stock. 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. The price of our Class A Common Stock can also vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports.

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 and payment obligations under the TRA, which could be significant. 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, restrictions on distributions that would violate 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 the TRA and therefore accelerate payments under the TRA, which could be substantial. We anticipate that the distributions we 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 bank financing agreements. Financing arrangements may include restrictive covenants that restrict our ability to pay dividends or make other distributions to our 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 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 Noncontrolling Interest holders 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 our 2020 the sale of Common Company Units for cash consideration in the Business business Combination combination, the purchase and redemption of the common units and preferred units by the Continuing Members and the future exchange exchanges of the Common Company Units for shares of Class A Common Stock (or cash), and certain other tax attributes of UBH, and tax benefits attributable to payments under the TRA, and those payments may be substantial. The Noncontrolling Interest Holders sold Common Company Units for cash consideration in the 2020 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. In addition, we purchased common units and preferred units in the Noncontrolling Interest Holders from third-party members, and the Noncontrolling Interest Holders redeemed such units from us. These sales, purchases, redemptions and exchanges resulted in increases in our allocable share of the tax basis of UBH's assets. These increases in tax basis may increase tax depreciation and amortization deductions and therefore reduce the amount of income tax that we would otherwise be required to pay in the future had such sales and exchanges never occurred. In connection with the 2020 business combination, we entered into the TRA, which generally provides for the payment of 85 % of the cash tax savings, if any, that we realize as a result of these increases in tax basis, certain other tax attributes of UBH and tax benefits related attributable to entering into the TRA, making payments under the TRA. These and those 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 TRA payments will be substantial and could have a material adverse effect on our financial condition. 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 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 us 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 Noncontrolling Interest Holders will not be required to reimburse us for any excess payments that may previously have been made under the TRA. Excess TRA payments made to the Noncontrolling Interest 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 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 TRA payments in excess of our actual income 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, (iii) we, in certain circumstances, fail to make a required TRA payment 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 Noncontrolling Interest Holders 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 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. Delaware law, the Certificate of Incorporation and, Bylaws, and certain other agreements 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 "DCL"), 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 elected 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 that certain Investor Rights Agreement initially entered into by UBI and certain of its stockholders in connection with the 2020 business combination (as amended, 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 and a related standstill agreement provide the stockholders party thereto with certain rights relating to the Company Board and include certain limitations on such stockholders' solicitations of proxies or seeking to influence any person with respect to voting in favor of any director not nominated pursuant to the Investor Rights Agreement or by our Board, 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 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 the Company Board. Certain of our significant stockholders and Utz Brands Holdings members whose interests may differ from those of our other stockholders have the ability to significantly influence our business and management. Pursuant to the Investor Rights Agreement, certain founder members of the Collier Creek partners LLC ("Sponsor"), the sponsor of Collier Creek Holdings ("CCH") and their family members (the "Founder Holders"), the a representative of the Sponsor (the "Sponsor Representative"), the Noncontrolling Interest Holders and the independent directors of CCH at the closing of the 2020 business combination in connection with the 2020 business combination, agreed to nominate, subject to certain step-down provisions, a certain number of Noncontrolling Interest Holders' nominees recommended by the Noncontrolling Interest Holders and Sponsor Nominees recommended by the Sponsor Representative. Further, under the Investor Rights Agreement, since the Company Board increased the number of directors above ten, so long as the Founders Holders or Noncontrolling Interest Holders own at least 75 % of the economic interest in us that were held by such party immediately following the 2020 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 Noncontrolling Interest Holders and the successors to the Sponsor are 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 Noncontrolling Interest Holders 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 Noncontrolling Interest Holders hold at least 50 % of the economic interests held in us and UBH as of closing of the 2020 business combination (without duplication) they will have consent rights over certain material transactions with respect to us and our subsidiaries, including UBH. The successors to the Sponsor and each of the their ability to significantly influence our 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 management each of their affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. Our 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 director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business and operations could be negatively affected if it becomes subject to any securities litigation or shareholder activism activities, or similar business activities or lines of business in which could cause us to incur significant expense, hinder execution of business and growth strategy and impact our stock price. PART I Item 1. Business Unless the context otherwise requires, all references in this Annual Report on Form 10-K to the "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, 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 as 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. **The successors to the Sponsor and any of their respective affiliates also may pursue, in their capabilities-capacities**, and our products are distributed nationally to grocery, mass, club, convenience, drug and other retailers through direct shipments **than as members of the Company Board**, **acquisition opportunities that may be complementary to our** distributors, and approximately 2,250 DSD routes. Our business benefits from multiple, **and, as a result, those acquisition opportunities may not be available** 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 even 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 successors to the Sponsor may have an interest in pursuing acquisitions, divestitures and the other long-term transactions that, in its judgment, could enhance its investment, even through- though supply chain productivity, revenue management, a higher-margin product mix, such transactions might involve risks to you. Our private placement warrants may have and- an higher margins-adverse effect** on incremental sales as we leverage our scalable existing platform. Recent Acquisitions and Dispositions During fiscal year 2022, the **market** Company focused on increasing manufacturing and streamlining distribution. In April 2022, the Company purchased a brand new, recently 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 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 and the valuation of our Benestar in a private placement pursuant to Section 4 warrants could increase the volatility in our net income (a loss) in our consolidated statements of earnings (2 loss)** 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, FORTYAHLS!, 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 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 **in aggregate** historically utilized the strong regional positions and relevance of our Foundation Brands **7,200,000 private placement warrants, each exercisable to drive purchase one Class A Common Stock at \$ 11.50 per share. Under the terms of the warrant agreement, pursuant to which the private placement warrants were issued, the private placement warrants will expire in August of 2025. Such private placement warrants, when exercised, will increase distribution for our Power Brands. Products We** **the number of issued and outstanding Class A Common Stock and may produce** **reduce the value** a broad range of salty snack foods **the Class A Common Stock. Further**, including potato chips, tortilla chips, pretzels, cheese snacks, veggie snacks, pub / party mixes, pork skins, ready **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 represents the mark** **to market fair value adjustments** - eat popcorn, and other 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 because 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 two **to** 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 Magazine's 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 **outstanding private placement warrants. Significant changes** current line and the launch of two new on-trend flavors, Spicy Cajun and Sweet Cinnamon and Sugar **in our stock price** 2024 support continued strong momentum for **or the number of private placement warrants outstanding may adversely affect our net income** 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 (**loss** "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 sealable 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 our consolidated statements** acquisitions. 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 **operations** 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 brand -- **and comprehensive income** 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 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, 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) **loss** 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, 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 Area 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 an 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 of 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 or acquired brands as well as generate potential future cost savings through consolidating our manufacturing footprint. Our manufacturing facilities are well-maintained, and we have 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 addition, pursuant to the Our Home Transaction, under reciprocal co-manufacturing agreements Our Home will co-manufacture certain of 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 and logistics processes.