

# 2025 Annual Report

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# MESSAGE FROM THE EXECUTIVE CHAIRPERSON, PRESIDENT AND CHIEF EXECUTIVE OFFICER

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## DEAR FELLOW STOCKHOLDERS AND SHAREHOLDERS,

We are pleased to share the 2025 Annual Report of Vital Farms, Inc.

Vital Farms' aspiration is to become America's most trusted food company, and our mission is to bring ethical food to the table. We pursue that mission by raising standards across the food industry and by disrupting industrial, factory-food norms. We do so with a long-term orientation, recognizing that the categories and relationships we are building take years to compound in value. The operating environment in our category is dynamic, and the market's assessment of our business will move from period to period; our job as stewards of this company is to stay focused on the decisions that we believe will create durable value for our stakeholders over time.

Fiscal year 2025 was an operationally defining year for Vital Farms. We scaled the business meaningfully while staying true to our purpose of improving the lives of people, animals and the planet through food. We made progress against our long-term financial objectives and achieved important milestones across our supply chain. None of this would have been possible without the crew members and farmer partners who continue to bring our mission to life every day.

Before highlighting our 2025 results, I want to recognize our founder, Matt O'Hayer, who retired in February 2026 as our Executive Chairperson and as a member of our Board of Directors. Starting with just 20 hens in 2007, Matt pioneered an entirely new category in the grocery aisle, rooted in a belief in scaling the humane treatment of animals. Matt remains one of our strongest advocates, and the Board and I are grateful that he continues to share his perspective and passion in his advisory role.

## 2025 HIGHLIGHTS

- ▶ **Financial Results:** We delivered record annual net revenue of \$759.4 million in fiscal 2025, an increase of 25.3% over the prior year. Gross profit for the year was \$285.7 million, or 37.6% of net revenue. Adjusted EBITDA surpassed \$100 million for the first time in our history, reaching \$114.0 million for the full year.<sup>1</sup>
  - ▶ **Operations:** We successfully rebuilt our egg inventory throughout 2025 and, in October, brought our third production line online at our Egg Central Station (ECS) facility in Springfield, Missouri. With three lines operating, we can dedicate the first two lines at ECS to longer production runs of our top four product lines, while using the third line for specialty products with lower volumes. We also advanced construction at Vital Crossroads, our next facility in Seymour, Indiana. These investments reflect our long-term confidence in our brand and our commitment to staying ahead of opportunity rather than chasing it.
  - ▶ **Farm Network:** Our farm network expanded to more than 600 small farms committed to our pasture-raised standards, where hens have year-round access to open pastures. Adding approximately 175 farms in a single year is, to us, a meaningful expression of the trust we have built within the agricultural community around our commitment to humane animal care. Farmers want to be part of what we are building because we offer a path to a sustainable livelihood alongside stewardship of the land and the welfare of the animals in their care.
  - ▶ **Brand Awareness:** Our marketing investments drove aided brand awareness to 34% by year-end, an increase of 8 percentage points from the beginning of 2025, widening the gap between Vital Farms and our closest competitors. We are working closely with our retail partners to convert that brand interest into household acquisition through an expanded shelf footprint and a thoughtfully calibrated promotional cadence.
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Building a consumer brand of enduring value is rarely a straight line. Periods of rapid progress are followed by periods in which we must absorb what we have built, sharpen our execution and re-earn the trust of every stakeholder in our business. Our crew approaches each of those periods with the same discipline and the same humility, and I am grateful every day for the way they show up for this company and for one another.

The foundation we built in 2025—a stronger supply chain, a broader farm network, a more widely recognized brand and a crew that lives our values—is the foundation on which we intend to keep building. On behalf of the Vital Farms crew, thank you for your continued support. I look forward to your attendance at our Annual Meeting.

Sincerely,



**Russell Diez-Canseco**

*Executive Chairperson, President &*

*Chief Executive Officer*

April 27, 2026

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 28, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-39411

**Vital Farms, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

3601 South Congress Avenue  
Suite C100  
Austin, Texas

(Address of principal executive offices)

27-0496985  
(I.R.S. Employer  
Identification No.)

78704  
(Zip Code)

(877) 455-3063

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, - par value \$0.0001 per share	VITL	The Nasdaq Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrects are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the voting common equity held by non-affiliates of the registrant, based on the closing price of the registrant's shares of common stock as reported by The Nasdaq Stock Market LLC on June 29, 2025 (the last business day of the registrant's second fiscal quarter), was approximately \$1.4 billion. This calculation does not reflect a determination that certain persons are affiliates of the Registrant for any other purpose.

As of February 23, 2026, the registrant had 44,797,125 shares of common stock, \$0.0001 par value per share, outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:**

Portions of the registrant's definitive proxy statement for the registrant's 2026 annual meeting of stockholders, to be filed within 120 days after the close of the registrant's fiscal year, are incorporated by reference into Part III of this Annual Report.



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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, or the Annual Report, contains “forward-looking statements” (within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “continue,” “could,” “envision,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our revenue, expenses and other operating results;
- our ability to attract new consumers and customers and successfully retain existing consumers and customers;
- our ability to attract and retain our suppliers, distributors and co-manufacturers;
- our ability to maintain relationships with members of our existing farm network or further expand our farm network, and our plans for development of accelerator farms;
- our ability to sustain or increase our profitability;
- our expectations regarding our future growth in the foodservice channel;
- our ability to procure sufficient high-quality eggs, cream for our butter and other raw materials;
- real or perceived quality or food safety issues with our products or other issues that adversely affect our brand and reputation;
- changes in the tastes and preferences of our consumers;
- the financial condition of, and our relationships with, our farmers, suppliers, co-manufacturers, distributors, retailers and foodservice customers, as well as the health of the foodservice industry generally;
- the effects of outbreaks of agricultural diseases, including avian influenza and egg drop syndrome, the perception that outbreaks may occur or regulatory or market responses to such outbreaks generally;
- the ability of our farmers, suppliers and co-manufacturers to comply with food safety, environmental or other laws or regulations;
- the specifications and timing of our planned egg washing and packing facility with onsite cold storage in Seymour, Indiana and the impacts of prior or future expansions of our egg washing and packing facilities on our revenue and farm network;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- anticipated changes in our product offerings and our ability to innovate to offer new products;
- our ability to successfully enter new product categories;
- the costs and success of our marketing efforts and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain personnel;
- our ability to effectively manage our growth;
- the potential influence of our focus on a specific public benefit purpose and producing a positive effect for society;
- our stated Impact Goals, opportunities and initiatives, as well as the standards and expectations of third parties regarding these matters;
- our ability to maintain effective internal controls over financial reporting and to remediate and prevent material weaknesses in our internal controls;
- our ability to compete effectively with existing competitors and new market entrants;
- the impact of adverse economic conditions, including as a result of unfavorable global economic and political conditions, elevated interest rates and inflation;

- the impact of previous or future shutdowns of the U.S. federal government on our and our contracted family farmers' businesses;
- our estimates of future capital expenditures and the sufficiency of our cash, cash equivalents, marketable securities and availability of credit under our credit facility to meet our liquidity needs;
- seasonality; and
- the growth rates of the markets in which we compete.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" in Part I, Item 1A of this Annual Report and elsewhere in this Annual Report. A summary of selected risks associated with our business is set forth at the beginning of Part I, Item 1A of this Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Annual Report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Annual Report. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

## Part I

### Item 1. Business

#### Our Company: Improving the Lives of People, Animals and the Planet Through Food

Vital Farms' aspiration is to become America's most trusted food company. Every day, we aim to raise the standards in the food industry and disrupt industrial, factory food norms. Our eggs and butter are sourced through a distributed supply chain of small farms that uphold our high animal welfare standards and produce exceptional products. We believe this approach creates a more resilient business that has enabled us to continue growing through a dynamic chapter in our industry.

#### Our Purpose Guides Our Business

Our purpose is to improve the lives of people, animals and the planet through food. We are committed to Conscious Capitalism, which prioritizes positive, long-term outcomes for all of our stakeholders – farmers and suppliers, customers and consumers, communities and the environment, employees, who we refer to as crew members, and stockholders.

Vital Farms was founded in 2007 on a 27-acre plot of land in Austin, Texas. Starting with a small flock of hens, we maintained a strong belief that a varied diet and better animal welfare practices would lead to superior eggs. Our first sales came from farmers markets and restaurants around Austin and, less than a year later, our eggs were discovered by Whole Foods Market, Inc., or Whole Foods. From the beginning, we sought to not simply sell eggs to a few stores, but to build a sustainable company that aligned with the family farming community and was able to profitably deliver quality products to a devoted consumer base.

Our approach has been validated by our financial performance and our impact on the food industry. We are also a Delaware public benefit corporation and a Certified B Corporation, a designation reserved for businesses that balance profit and purpose to meet the highest verified standards of social and environmental performance, public transparency and legal accountability.

#### Our Ethical Decision-Making Model

Stakeholders	Guiding Principles
<b>Farmers and Suppliers</b>	Forming strong relationships with our network of more than 600 small farms, who are the foundation of our resilient and reliable supply chain
<b>Customers and Consumers</b>	Delivering the transparency, authenticity and quality that today's consumers demand from food products
<b>Crew Members</b>	Empowering our crew members by investing in their financial security, development and overall well-being
<b>Communities and Environment</b>	Investing in the communities where we operate and being conscious stewards of the environment
<b>Stockholders</b>	Driving sustainable growth and long-term stockholder value

We have built our business through our strong relationships with family farms and deliberate efforts to design and build the infrastructure to bring our products to a national audience. Today, with a network of more than 600 small farms, we believe we have set the national standard for pasture-raised eggs. We continue to innovate to support these family farms. Our "accelerator farms" project, launched in 2024, envisions a small number of farms that we own and operate, where we can implement innovative farming practices that can be scaled to the family farms in our network. We began placing birds on accelerator farms in 2025. We believe our relationships with our contracted family farms, the benefits presented by our accelerator farms and the efficiency of our supply chain provide us with a competitive advantage in the consumer packaged goods industry, in which achieving reliable supply at a national scale can be challenging.

In 2017, we opened Egg Central Station, a shell egg processing facility in Springfield, Missouri, which is located within a region we refer to as the PASTURE BELT™, the U.S. region where weather is conducive to hens being outside as much as possible. In April 2022, we completed an expansion of this facility that nearly doubled its square footage and capacity. To help meet the continued demand for our shell eggs, we installed and began operating an additional Moba egg grading system, the primary automation technology used in washing, sorting, and packing shell eggs, at Egg Central Station in 2025. Egg Central Station is capable of packing more than 7.5 million eggs per day and has achieved Safe Quality Food, or SQF, Excellent rating, the highest level of such certification recognized by the Global Food Safety Initiative, or GFSI. In addition, the facility has received the Safe Quality Food Institute, or SQFI, Select Site certification, indicating that the facility has voluntarily elected to undergo annual unannounced recertification audits by SQFI, the organization responsible for administering the SQF Program.

The design of our Egg Central Station facility in Missouri includes investments that support our stakeholders, from our crew members (daylighting, climate control and slip resistant floors in the egg grading room), to the community and environment (consultation with the community before we built the facility, restoration of native vegetation on the property, water retention and stormwater management measures and the use of solar panels), to our customers and consumers (food safety and maintenance investments far beyond regulatory requirements). Our efforts to build a sustainable, stakeholder-focused facility are evidenced by the facility's 2022 "Green Plant of the Year" award from the industry publication *Food Processing*, along with LEED Gold certification in 2024. We believe owning and operating this important element of our supply chain is a key differentiator and provides us with a competitive advantage, which we intend to continue to leverage to grow both our net revenue and gross margin. In 2025, we began using a new dedicated cold storage and fulfillment center less than one mile from Egg Central Station, operated and owned by our longtime cold storage provider, to improve operational efficiency.

To help ensure continued supply and support further growth, we are in the process of constructing Vital Crossroads, a second automated egg washing and packing facility with onsite cold storage in Seymour, Indiana, which we anticipate will be fully operational in 2027. We intend to build upon the foundational key learnings and successes from our Egg Central Station facility in Missouri with this second facility and further expand our already resilient supply chain.

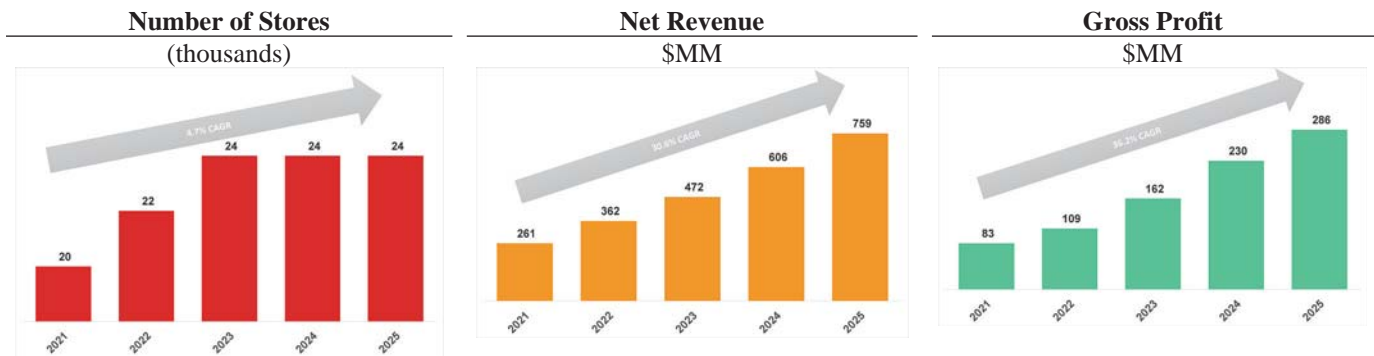
Our loyal and growing consumer base has fueled the continued growth of our brand in the natural and mainstream retail channels and has facilitated our growth in the foodservice channel. As of December 2025, we offered 23 retail stock keeping units, or SKUs, through a multi-channel retail distribution network across more than 24,000 stores. Our products generate stronger velocities and, we believe, greater profitability per unit for our retail customers in key traffic-generating categories compared to products offered by our competitors. We believe we have significant room for growth within the retail and foodservice channels, and we believe that we can capture this opportunity by growing brand awareness and through new product innovation. We also believe there are incremental growth opportunities in additional distribution channels, including the convenience, drugstore and club channels.

Consumer demand for our high-quality products and our conscious efforts to develop a sustainable supply chain have enabled the continued growth of our brand in the natural and mainstream retail channels through relationships with Albertsons Companies, Inc., or Albertsons, The Kroger Co., or Kroger, Publix Super Markets, Inc., or Publix, Target Corporation, or Target, Walmart Inc., or Walmart, Sprouts Farmers Market, or Sprouts, Whole Foods, and numerous other national and regional food retailers.

Our products resonate with our consumers, who are incredibly loyal to Vital Farms. We are now in nearly 16 million households across the United States and continue to build our brand through transparent communication and direct engagement with consumers who want to know more about where their food comes from. In addition to our award-winning ad campaigns, we have unique touchpoints like our *Vital Times*® newsletter in each carton of eggs, and a team dedicated to answering consumers' questions across multiple channels, including social media, text, email and phone. We also enable consumers to see the farms where their eggs were laid through our Traceability initiative.

Our trusted brand and Conscious Capitalism-focused business model have resulted in significant growth. We have increased net revenue from \$260.9 million in fiscal 2021 to \$759.4 million in fiscal 2025, which represents a 30.6% compounded annual growth rate, or CAGR. We believe that consumer movement away from factory farming practices will continue to fuel demand for our products, and in September 2023, we announced long-term financial targets for 2027 reflecting our confidence in the potential of our business. In December 2025, we announced updated long-term financial targets for 2030, demonstrating our belief that our growth is sustainable over a long-term horizon. Our management team is committed to ensuring our values remain aligned with those of our consumers while delivering stockholder value.

Evidence of our historical success in continuing to scale our business is shown in the graphics below. Dates refer to the fiscal years ended December 26, 2021, December 25, 2022, December 31, 2023, December 29, 2024, and December 28, 2025, respectively.



### Industry Overview

We operate in the large and growing U.S. natural food and beverage industry. Consumer awareness of the negative health, environmental and agricultural impacts of processed food and factory farming standards has resulted in increased consumer demand for ethically produced food. We believe this trend has had a meaningful impact on the growth of the natural food industry, which is increasingly penetrating the broader U.S. food market as mainstream retailers respond to consumer demand. We believe increased demand for natural food and a willingness to pay a premium for brands focused on transparency, sustainability and ethical values will continue to be a catalyst for our growth.

According to Circana, Inc., or Circana, data, the U.S. shell egg market accounted for approximately \$15.4 billion in retail sales in 2025 and grew at a CAGR of 21.3% between December 2021 and December 2025. Our relatively low household penetration of 10.5%, compared to the shell egg category penetration of approximately 97.3%, provides a significant long-term growth opportunity for our business. According to Circana data, the U.S. pasture-raised retail egg market accounted for approximately \$1.3 billion in retail sales in 2025 and grew at a CAGR of 37.5% between December 2021 and December 2025, while the specialty egg (including pasture-raised and free-range) market accounted for approximately \$12.6 billion in retail sales in 2025 and grew at a CAGR of 26.4% between December 2021 and December 2025. According to Circana data, the U.S. butter market accounted for approximately \$5.9 billion in retail sales in 2025 and grew at a CAGR of 10.0% between December 2021 and December 2025. We believe the strength of our platform, coupled with ongoing investments in our crew members, infrastructure and supply chain capacity, position us to continue to deliver industry-leading growth across new and existing categories.

### Our Strengths

#### Trusted Brand Aligned with Consumer Demands

We believe consumers have grown to trust our brand because of our adherence to our values and our high level of transparency. We believe consumers are increasingly focused on understanding the source of their food and are willing to pay a premium for brands that deliver trust, transparency and authenticity. As a company focused on driving the success of our stakeholders, our brand resonates with consumers who seek to align themselves with companies that share their values. Through our *Vital Times* newsletter, social media outlets and our high-touch consumer engagement and marketing campaigns, we cultivate and support our relationship with consumers by communicating our values, building trust and promoting brand loyalty.

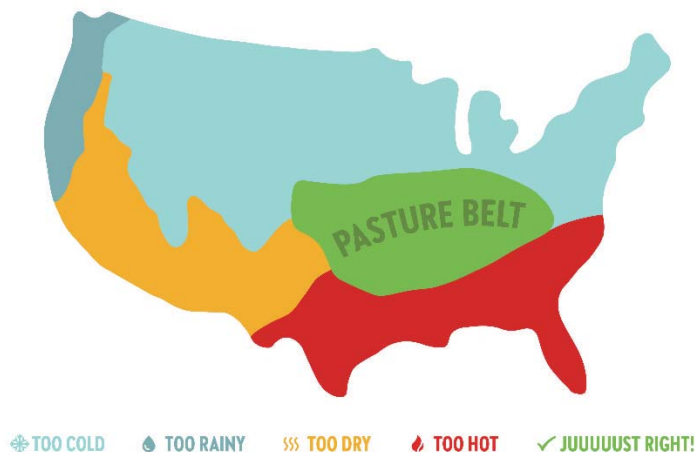
#### Strategic and Valuable Brand for Retailers

Our performance has demonstrated that we are a strategic and valuable partner to retailers. We have reached a broad set of consumers through a variety of retail partners, including Albertsons, Kroger, Publix, Target, Walmart, Sprouts and Whole Foods. As of December 2025, we were either the number one or two egg brand by retail dollar sales for branded eggs with nine of our ten largest retail customers. We believe the success of our brand in both the natural and mainstream retail channels demonstrates that consumers are demanding premium products that meet a higher ethical standard. We believe that our products are more attractive to retail customers because they help generate growth, deliver strong gross profits and drive strong velocities.

## Supply Chain Rooted in Commitment to Our Stakeholders

Our ongoing commitment to the social and economic interests of our stakeholders guides our supply chain decisions. We carefully select and collaborate with family farms in the Pasture Belt. We establish supply contracts that we believe are attractive for all parties and demonstrate our commitment to our network of family farms through educational programs that transfer critical best practice knowledge. We also pay farmers competitive prices for high-quality eggs. We believe our commitment to farmers facilitates more sustainable farm operations and significantly reduces turnover. Our network of family farms gives us a strategic advantage through a scaled, distributed and sustainable supply chain and allows us to go to market with the highest quality premium products.

### Map of the Pasture Belt



## Experienced and Passionate Team

We have an experienced and passionate senior leadership team that has nearly 150 years of combined industry experience. Russell Diez-Canseco, our President and Chief Executive Officer, has been with Vital Farms since 2014 and has over 25 years of food industry experience. We also have a deep bench of talent with strong business and operational experience and crew members at all levels who are passionate about addressing the needs of our stakeholders. We have leveraged the experience and passion of our senior leadership team, our Board of Directors and our other crew members to grow net revenue at a CAGR of 30.6% since 2021, and we continue to grow our butter business and build out our shell egg processing capacity through our Egg Central Station facility in Missouri and our planned Vital Crossroads facility in Indiana.

## Our Growth Strategies

We believe our investments in our brand, our stakeholders and our infrastructure position us to continue delivering industry-leading growth that outpaces both the natural food industry and the overall food industry.

## Compete to Win in Our Current Categories

We continue to compete at the top of our current categories, which helps fuel our continued, profitable growth, and we believe there is significant opportunity to further grow volume with existing retail customers by building consumer awareness and demand for our brand. Our products generate stronger velocities and, we believe, greater profitability per unit for our retail customers in our current categories. By capturing greater shelf space, driving higher product velocities and increasing our average SKU count per retailer, we believe there is meaningful runway for further growth with existing retail customers. Beyond our existing retail footprint, we believe there are significant opportunities to gain incremental stores from existing retail customers and to add new retail customers. Additionally, we believe there is significant demand for our products in the foodservice channel since we offer versatile ingredients with high menu penetrations across commercial and non-commercial operator segments. We see considerable opportunity for medium- to long-term growth in this channel by increasing our category market share through sales to values-aligned foodservice operators and their distributors. We also believe there are significant further long-term opportunities in additional distribution channels, including the convenience, drugstore and club channels.

## **Expand Our Portfolio**

We plan to continue seeking out opportunities to expand our product offerings. We believe making strategic bets on larger-scale opportunities will help advance our vision of becoming America's most trusted food company. The successes of our core offerings have confirmed our belief that there is significant demand for ethically produced food products, and our proprietary consumer surveys confirm our belief that there is significant demand for our brand across a wide spectrum of food categories. We are committed to continuing to introduce consumers to an expanding range of product offerings.

## **Strengthen the Brand**

We will compete in the marketplace by continuing to build long-term trusted relationships with our target consumer. Critical to the success of this mission is our ability to share our story with a broader audience while maintaining the trust and loyalty of our current consumers. We intend to increase our household penetration by educating consumers about our brand, our values and the premium quality of our products. Our relatively low household penetration of approximately 10.5% for our shell eggs, compared to the shell egg category penetration of approximately 97.3%, demonstrates that expanding the national presence of our brand offers a significant runway for future growth. We believe we are well positioned to further increase household penetration of our products given their alignment with consumer trends and approachability with consumers. We intend to increase the number of consumers who buy our products and retain existing consumers by using digitally integrated media campaigns, social media tools, earned awareness drivers like press outreach and other owned media channels. We believe these efforts will educate consumers about our values and the attractive attributes of our products, generate further demand for our products and ultimately expand our consumer base.

## **Scale a World-Class Organization**

We believe that our most important competitive advantage is great people, operating as one high-performing team in a strong culture, with the right tools to help us reach our potential, both individually and collectively. Our people function prioritizes attracting and developing talent that supports our strategic plan, our growth initiatives and our culture. This effort is critical not only to our current success but the direction of our company in the future. We are also committed to ensuring that our talent has access to the systems and processes necessary to continue to meet stakeholder demands as we scale. In the fourth quarter of fiscal 2025, we completed a multi-year process to implement and launch a new cloud-based enterprise resource planning system. As we continue to scale a world-class organization, we believe our focus on where we are going, the systems and processes necessary to get there and, most importantly, how we engage, inspire, and develop our crew members will fuel our continued growth.

## Products and Innovation

We produce products sourced from animals raised on family farms, including shell eggs, butter, hard-boiled eggs and liquid whole eggs.

### *Shell Eggs*



Our original and core product is shell eggs. We defined the pasture-raised egg category by following European-rooted standards codified by the Certified Humane Program, which require each hen to have at least 108 square feet of land and daily outdoor access. Our shell eggs are ethically produced, and our consumers consistently tell us that they provide a richer taste and color than other eggs on the market. The retail varieties of our shell eggs are based on supplemental feed type (certified organic and conventional), egg size (medium, large, extra-large and jumbo) and pack size (6, 12, 18 and 24 count). Our shell egg varieties also include True Blues (pasture-raised heirloom eggs with distinct blue shells) and Restorative Eggs (eggs from farms employing enhanced regenerative agricultural standards certified by Regenified).

### *Butter*



In 2015, we saw an opportunity in the U.S. refrigerated value-added dairy market for premium butter with artisanal qualities, such as higher butterfat content, salt and traditional slow-churn methods. Our consumer research and basket analysis also identified butter as a highly complementary product category to eggs in terms of usage and buyer profile. Today, we offer unsalted and salted varieties of our butter, which is sold in two-stick and four-stick packs.



### *Hard-Boiled Eggs and Liquid Whole Eggs*



In March 2018, we launched hard-boiled eggs to broaden the appeal of our brand and satisfy an incremental usage occasion—ready-to-eat snacking. That launch was followed by the introduction of our liquid whole eggs in August 2019. We currently provide one of the only pasture-raised liquid whole egg offerings in the United States processed egg market, which has seen little innovation in decades and has traditionally been dominated by egg whites.

Motivated by the successes of our core products, our mission and our customers' and consumers' feedback, we seek to continue to innovate and expand our product offerings to address growing consumer demand.

We expect to continue to expand our product offerings through innovation in both existing and new categories, leveraging comprehensive consumer insights and trend data to provide innovative solutions and ideas that meet new consumer needs and usage occasions.

## Marketing

We help build our trusted brand by telling authentic stories from our stakeholder community. Our multifaceted, consumer-centric marketing strategy has been instrumental in increasing awareness, deepening consumer loyalty and driving net revenue. Our marketing strategy is aimed at solidifying our brand's position as a leading provider of ethically produced food. We execute this strategy by advertising through digitally integrated media campaigns, social media tools, earned awareness drivers like press outreach and other owned media channels. Our standout packaging has been a signature communication vehicle since our inception. We maintain a presence across all major social media platforms.

Our brand has grown rapidly into the #1 U.S. pasture-raised, #1 U.S. natural channel and #2 U.S. overall egg brand by retail dollar sales. Our brand awareness is represented by a strong social media following, with approximately 162,000 Instagram followers and 128,000 TikTok followers. Building on prior successes, we will continue to invest in the brand through digitally integrated national media campaigns and build customer loyalty through other media formats, including our quirky *Vital Times* newsletter, now in its fourteenth year of print, which is placed in each egg carton. We have circulated more than 400 million copies of our *Vital Times* newsletter since 2021.

Building upon a landscape of shifting consumer preferences, we are focused on reaching new consumers to educate them about our ethically focused value proposition. We work continuously to understand our consumers and leverage those insights to develop impactful communication plans and messaging. We remain focused on deploying our sophisticated marketing capabilities and world-class sales team to ensure that both customers and consumers understand the Vital Farms story.

## Our Customers

We market our products throughout the United States, with the majority of our net revenue coming from sales of our shell egg products. As of December 2025, we distribute through third parties and direct to retailers to reach more than 24,000 stores. With significant expansion in recent years, our retail sales are distributed between the natural channel and mainstream channel. Because of our brand equity, loyal consumer base and line of high-quality products, we believe there are attractive growth opportunities across these channels, in addition to a sizable opportunity in the foodservice channel. We believe there are also incremental growth opportunities in additional distribution channels, including the convenience, drugstore and club channels, which we may access along with retail growth opportunities to enable us to continue our net revenue growth.

### *Natural Channel*

Natural channel retailers, including Whole Foods and Sprouts, represented approximately 39%, 40% and 38% of our retail dollar sales in fiscal years 2023, 2024 and 2025, respectively.

### *Mainstream Channel*

Widespread consumer demand for high-quality and traceable foods has driven our expansion into the mainstream channel with national retailers, including Albertsons, Kroger, Publix, Target and Walmart. The mainstream channel represented approximately 61%, 60% and 62% of our retail dollar sales in fiscal years 2023, 2024 and 2025, respectively.

### *Foodservice Channel*

In addition to our primary natural and mainstream channels, we sell shell and value-added eggs into the foodservice channel, which includes commercial and non-commercial foodservice operators. We expect our foodservice business to continue to grow in the medium- to long-term through our two-pronged sales approach. We anticipate growing our foodservice distribution penetration through our relationships, for example, with Dot Foods, the largest redistribution company in the country, group purchasing organizations, including Foodbuy and Buyer's Edge, and broad-line distributors, including Sysco, US Foods, Performance Food Group, Gordon Food Service, Shamrock Foods and Ben E. Keith. By deepening our distribution penetration, we are becoming more accessible to foodservice operators across the country. We anticipate more growth with values-aligned regional and national restaurants that want to innovate their menus with our quality, ethically produced eggs. In fiscal years 2023, 2024 and 2025, the foodservice channel accounted for approximately 6%, 4% and 3%, respectively, of our net revenue.

Our established foodservice relationships help to extend our marketing efforts through unique co-branding opportunities, which amplify our consumer awareness and allow us to reach new households. We will continue to capitalize on these co-marketing tactics as we work to bring new foodservice operators into our customer base.

We have launched relationships with national foodservice operators, including Hopdoddy Burger Bar and Chicken N Pickle, as well as regional chain collaborations across the country.

## Supply Chain

We have strategically designed our supply chain to ensure high production standards and optimal year-round operation. We are motivated by the positive impact we have on rural communities and enjoy a strong relationship and reputation with our network of more than 600 small farms. To capitalize on this strong supply network, we own and operate a state-of-the-art shell egg processing facility, Egg Central Station in Springfield, Missouri. Following its expansion in April 2022, Egg Central Station is approximately 153,000 square feet and utilizes highly automated equipment to grade and package our shell egg products. The design of our facility includes investments in support of each of our stakeholders, from our crew members, to the community and the environment, to our customers and consumers.

To help meet the continued demand for our shell eggs, we installed and began operating an additional Moba egg grading system, the primary automation technology used in washing, sorting, and packing shell eggs, at Egg Central Station in fiscal 2025.

To support continued supply and further growth, we broke ground in 2025 on Vital Crossroads, our planned second world-class egg washing and packing facility with onsite cold storage in Seymour, Indiana, which we anticipate will be fully operational in 2027.

Our eggs are kept in on-farm coolers using equipment that meets our precise standards. The eggs are then collected on a regular basis by a third-party freight carrier and placed in a new dedicated cold storage and fulfillment facility, located less than one mile from Egg Central Station and operated by our longtime cold storage provider, until packing for shipment to customers. Each of our butter, hard-boiled egg and liquid whole egg products is produced by a co-manufacturer (with eggs from our network of small farms used for our hard-boiled egg and liquid whole egg products). To support the growth of our business, we are focused on expanding existing co-manufacturing relationships where appropriate and establishing new relationships.

The cream for our butter is sourced primarily from dairy farms in Ireland. The cream that comes from the dairy cows is 90% grass-fed and pasture-raised. We import bulk butter from our supplier in Ireland and use a co-manufacturer in the United States for stick butter production. The stick butter is then placed in cold storage until packing for shipment to customers.

Our egg packaging consists primarily of corrugated boxes and egg cartons. Our corrugated boxes are sourced from a supplier in Springfield, Missouri, and our egg cartons are substantially sourced from a single-source supplier from Missouri, Canada and Europe. Our other products are packaged in film and cartons that are primarily managed by our co-manufacturers. In every case, we strive to find the most sustainable and environmentally considered packaging, shipping materials and inks.

## Competition

We operate in a highly competitive environment across each of our product categories. We have numerous competitors of varying sizes, including producers of private-label products as well as producers of other branded egg and butter products that compete for trade merchandising support and consumer dollars. We compete with large egg companies such as Cal-Maine Foods, Inc. and large international food companies such as Ornu Co-operative Limited (Kerrygold). We also compete with local and regional egg and dairy companies as well as private-label specialty products processed by other egg and dairy companies. In our market, competition is based on, among other things, product quality and taste, brand recognition and loyalty, product variety, product packaging and package design, shelf space, reputation, price, advertising, promotion and nutritional claims. We engage in customary promotional activities in accordance with acceptable industry practices that are primarily intended to reach new consumers and drive further household penetration.

Across the industry, eggs may be sourced from hens that are caged, cage-free, free-range or pasture-raised. Most large egg companies primarily offer commodity eggs sourced from caged hens. In an attempt to address growing consumer demand for ethically produced and higher quality eggs, we have seen larger competitors grow their cage-free, free-range and pasture-raised offerings.

Although we operate in competitive industries, we believe that we have a strong and sustainable competitive advantage based on an ongoing process of values-driven decisions, our fundamental commitment to producing ethically minded food, the trust we have developed in our brand and our ability to provide reliable supply to our distribution partners and customers. We built and operate what we believe is one of the largest sourcing and distribution networks of family farms with strong growth potential. By focusing on the interests of each of our stakeholders, we believe we have created a model that attracts the best farmers and produces the highest quality products. We believe our experience in building our farm and supply chain networks has provided and will continue to provide significant scale and execution advantages as we continue to expand.

## Government Regulation

We are subject to laws and regulations administered by various federal, state and local government agencies in the United States, such as the U.S. Department of Agriculture, or USDA; the Food and Drug Administration, or FDA; the Federal Trade Commission, or FTC; the Environmental Protection Agency, or EPA; and the Occupational Safety and Health Administration, or

OSHA. These laws and regulations apply to the grading, processing, packaging, distribution, sale, marketing, labeling, quality, sanitary control, safety, importation and transportation of our products, as well as our occupational safety and health practices.

Under various federal statutes and implementing regulations, these agencies, among other things, prescribe the requirements and establish the standards for quality and safety and regulate our products and the manufacturing, labeling, marketing, promotion and advertising thereof. With respect to eggs in particular, the FDA and the USDA split jurisdiction depending on the type of product involved. While the FDA has primary responsibility for the regulation of shell eggs, the USDA has primary responsibility for the regulation of dried, frozen or liquid eggs and other “egg products,” subject to certain exceptions.

Among other things, the facilities in which our products are manufactured or processed must register with the FDA and/or the USDA, comply with current good manufacturing practices, or cGMPs, and comply with a range of food safety and labeling requirements established by the Federal Food, Drug, and Cosmetic Act, as amended by the Food Safety Modernization Act of 2011, or FSMA, the Egg Products Inspection Act, the Organic Foods Production Act and the Agricultural Marketing Act of 1946, among other laws implemented by the FDA, the USDA and other regulators. The FDA and the USDA have the authority to inspect these facilities depending on the type of product involved. For example, Egg Central Station, our facility in Springfield, Missouri, has been subject to periodic inspections by the USDA to evaluate compliance with certain applicable requirements, and the FDA may likewise inspect the facility. Additionally, we are subject to requirements under FSMA’s foreign supplier verification program and import tariffs, bond and other requirements by U.S. Customs and Border Protection for supply for our butter products, which we began importing from Ireland in late 2023. The FDA and the USDA also require that certain nutrition and product information appear on our product labels and, more generally, that our labels and labeling be truthful and non-misleading. Similarly, the FTC requires that our marketing and advertising be truthful, non-misleading and not deceptive to consumers. We are also restricted from making certain types of claims about our products, including nutrient content claims, health claims, organic claims and claims regarding the effects of our products on any structure or function of the body, whether express or implied, unless we satisfy certain regulatory requirements.

In addition, our suppliers are subject to numerous regulatory requirements. For example, the farmers who produce our shell eggs are subject to requirements implemented by the FDA pertaining to pest control, salmonella enteritidis prevention, pest control, sanitation, biosecurity, environmental testing, storage, transport and other requirements. There are also a number of U.S. states that have passed legislation or regulations mandating minimum space or cage-free requirements for egg production or have mandated the sale of only cage-free eggs and egg products in their states.

We are also subject to state and local food safety regulation, including registration and licensing requirements for our facilities, enforcement of standards for our products and facilities by state and local health agencies, and regulation of our trade practices in connection with selling our products.

We are also subject to labor and employment laws, laws governing advertising, privacy laws, safety regulations and other laws, including consumer protection regulations that regulate retailers or govern the promotion and sale of merchandise. Our operations, and those of our co-manufacturers, distributors and suppliers, are subject to various laws and regulations relating to environmental protection and worker health and safety matters.

### **Certified B Corporation**

While not required by Delaware law or the terms of our certificate of incorporation, we have elected to have our social and environmental performance, accountability and transparency assessed against the proprietary criteria established by B Lab, an independent non-profit organization. As a result of this assessment, we were designated as a Certified B Corporation in December 2015.

In order to be designated as a Certified B Corporation, companies are required to take a comprehensive and objective assessment of their positive impact on society and the environment. The assessment evaluates how a company’s operations and business model impact its workers, customers, suppliers, community and the environment.

Designation and continued certification as a Certified B Corporation is at the sole discretion of B Lab. To maintain our certification, we are required to update our assessment and verify our updated score with B Lab every three years. We were most recently recertified in March 2025.

### **Public Benefit Corporation Status**

In connection with our Certified B Corporation status and as a demonstration of our long-term commitment to our mission to bring ethical food to the table, we elected in October 2017 to be treated as a public benefit corporation under Delaware law.

Under Delaware law, a public benefit corporation is required to identify in its certificate of incorporation the public benefit or benefits it will promote, and its directors have a duty to manage the affairs of the corporation in a manner that balances the pecuniary interests of the corporation's stockholders, the best interests of those materially affected by the corporation's conduct, and the specific public benefit or benefits identified in the certificate of incorporation. Public benefit corporations organized in Delaware are also required to assess their benefit performance internally and to disclose to stockholders at least biennially a report detailing their success in meeting their benefit objectives.

As provided in our amended and restated certificate of incorporation, the public benefits that we promote, and pursuant to which we manage our company, are: (i) bringing ethically produced food to the table; (ii) bringing joy to our customers through products and services; (iii) allowing crew members to thrive in an empowering, fun environment; (iv) fostering lasting partnerships with our farms and suppliers; (v) forging an enduring profitable business; and (vi) being stewards of our animals, land, air and water, and being supportive of our community.

### **Our Commitment to Impact**

At Vital Farms, we are dedicated to creating long-term benefits for all our stakeholders – our stockholders, crew members, farmers and suppliers, customers and consumers, communities and the environment. We promote sustainable practices, maintain clear and transparent communication with all stakeholders, and place an emphasis on being conscious environmental stewards. Our commitment to bringing ethical food to the table has helped us to integrate sustainable practices throughout our business. Our dedication to our stakeholders inspires us to continuously raise our standards and practices. The three pillars of our approach to impact are building a resilient food system, fostering a people first culture and driving engaged and accountable oversight.

In 2025, we continued to make progress toward our short- and medium-term Impact Goals. Our Impact Goals include mitigating climate risk in our operations, driving climate resilience in our supply chain through regenerative agriculture, and ensuring we maintain a high standard of ethics as we grow.

The Nominating and Corporate Governance Committee of our Board of Directors has been tasked with oversight of our strategy, initiatives, policies, practices and reporting relating to environmental sustainability, climate-related risks and opportunities and our obligations as a Delaware public benefit corporation. The Nominating and Corporate Governance Committee receives updates at least quarterly from our Head of Impact and reports out to the Board of Directors regarding its oversight responsibilities.

We are committed to building a people-first culture that embodies our values and understands the unique needs of our crew members. We are focused on advancing a work environment culture where every crew member feels valued and experiences a true sense of belonging, supported by initiatives that foster learning, development, and engagement across our organization, which we call Crew Impact. Our Crew Impact function is imbued throughout our company through initiatives to foster crew learning and development that are grounded in our purpose of improving the lives of people, animals, and the planet through food.

We acknowledge the impact of climate change on our business, and we are committed to taking action to mitigate our emissions and overall environmental risk. In 2021, we began to track and analyze our greenhouse gas emissions to understand and mitigate our carbon footprint, as well as water risks relative to our business and operations. We conduct an annual inventory of our greenhouse gas emissions and assessment of our climate-related risks, publishing disclosures under the Task Force on Climate-Related Financial Disclosure framework. Our commitment to sustainability is borne out by our operations. For example, in 2024, we received LEED Gold Certification for our Egg Central Station facility in Missouri, and as we look toward our planned Vital Crossroads facility in Indiana, we intend to build on the learnings from Egg Central Station to ensure we continue to be stewards of our communities and the environment.

We believe in providing transparent disclosure regarding our commitment to impact and communicating our progress to stakeholders. We released our most recent full Impact Report in April 2025 and released an Impact Update in March 2024. We plan to continue to provide regular updates as to our progress toward our Impact Goals and anticipate releasing a new Impact Update in the first half of 2026. To learn more about these efforts and our relevant policies, please visit our investor relations website, [investors.vitalfarms.com](https://investors.vitalfarms.com), and our impact website, [vitalfarms.com/impact](https://vitalfarms.com/impact). Information contained on, or that can be accessed through, our website (including information in our Impact Report and Impact Update) is not incorporated by reference into this Annual Report or any of our other filings with the SEC. We welcome our stakeholders' feedback and can be contacted at [investors@vitalfarms.com](mailto:investors@vitalfarms.com).

### **Seasonality**

Demand for shell eggs and butter fluctuates in response to seasonal factors. Demand tends to increase with the start of the school year, is highest prior to holiday periods, particularly Thanksgiving, Christmas and Easter, and is lowest during the summer months. Seasonality may also impact the risk of agricultural diseases such as highly pathogenic avian influenza, which can be influenced by seasonal bird migration patterns. As a result of seasonal and quarterly fluctuations, comparisons of our sales and operating results between different quarters within a single fiscal year are not necessarily meaningful comparisons.

## **Trademarks and Other Intellectual Property**

We own trademarks and other proprietary rights that are important to our business, including our principal trademark, Vital Farms. All our key trademarks are registered with the U.S. Patent and Trademark Office. Our trademarks are valuable assets that reinforce the distinctiveness of our brand to our consumers. We believe the protection of our trademarks, copyrights and domain names are important to our success. We aggressively protect our intellectual property rights by relying on trademark and copyright.

## **Culture and Human Capital**

### ***Our Conscious Commitment***

We are committed to the long-term interests of each of our stakeholders, including our talented and passionate crew members who are invaluable to our business. Prioritizing Conscious Capitalism, our business decisions consider the impact on all our stakeholders, including our crew members, and we believe this helps us to create a more sustainable and successful business.

We are committed to fostering an environment that values collaboration, trust, and respect. Furthermore, we endeavor to provide our crew members with the resources they need to be successful through culture-enhancing programs and professional development opportunities. Human capital management is overseen by the Compensation Committee of our Board of Directors, which is charged under its committee charter to review and discuss with management our policies and practices on the development, retention, wellness, and engagement of our crew. Our Compensation Committee receives regular updates from our Chief People Officer on human capital matters and reports out to the Board of Directors regarding its oversight responsibilities.

### ***Crew Recruitment, Development and Retention***

Through a thoughtful and thorough selection process, we bring crew members into the business who we believe are aligned with our values and culture. We have structured our crew member orientation and onboarding processes to help foster continued alignment, including through in-person visits to our Austin headquarters, which we call the Roost, as well as fireside chats with functional leadership and substantive introductions to each business unit. We also maintain direct connection to our crew members throughout the onboarding process and conduct in-person onboarding for our crew members at our Egg Central Station processing facility in Missouri. The Vital Farms crew member journey, including recruiting, onboarding and each step of the career experience, is guided by the philosophy of supporting a people-first culture. We believe in enabling our crew members to grow both professionally and personally. We cultivate leaders across every level of the business and are committed to building a culture that embodies our values and understands the unique needs of our crew members.

We conduct an annual crew survey and subsequent listening sessions to identify key areas of opportunity and have developed both organization-wide focus areas and functional-level action plans. Through this process we believe that we have created opportunities for our crew to feel heard, valued and connected while laying a strong foundation for sustained engagement. In our 2024 survey conducted through the Great Places to Work platform, we saw marked improvement in several areas, including an increase in positive perceptions of work-life balance and other positive increases in metrics reflecting inclusion, fairness and crew development. Based upon the results of the survey, Vital Farms was certified in 2024 as a Great Place to Work.

We believe in a culture of transparency and ownership. We communicate regularly with our crew members across departments and position levels, including through all-company meetings that we call “Raise the Barn” (which are in-person for our Egg Central Station crew members in Missouri) with updates and messaging from our senior leadership team, and virtual sessions for our remote teams that include executive question-and-answer sessions. These frequent touchpoints are focused on helping crew members feel connected to our mission and empowered to make informed decisions that drive our business forward.

We maintain a remote workforce for substantially all of our crew members not located at Egg Central Station in Missouri. We continue to believe this commitment to and cultivation of a remote workforce has enabled us to attract top talent across the country and has had a positive impact on crew member retention and engagement.

We have continued to add programs and thoughtful engagement opportunities for all crew members in service of fostering an environment where crew members can do their best work and help achieve our collective goals. In 2024, we enhanced our internal professional development program by launching “Core Competencies,” which support a common language and allow us to build development programs designed to upskill our crew in areas critical to their personal growth and our success. We consider each of our Core Competencies to be a combination of skills, knowledge and behaviors that contribute to effective performance at Vital Farms. The Core Competency program includes the following subject areas: structure and planning, problem solving, communication and collaboration, building and inspiring crew, acting with agility, and executing with excellence. These development opportunities are cohort-based, bringing together crew from different business areas to enhance collaboration. Managers are encouraged to check in with crew members quarterly on progress on developing Core Competencies. By creating clarity on how to be successful at Vital Farms and providing opportunities to build relevant job skills, we believe we are empowering our crew members to take ownership and work collaboratively with their leader to co-create their respective career journeys.

## *Crew Impact*

We aim to push ourselves to take meaningful, positive actions that have a direct impact on our stakeholders, including our family farmers, suppliers, customers, crew members, consumers, stockholders, communities and the planet. In service of this goal, we are committed to building a workplace where every crew member feels valued. By embedding Crew Impact into our operations and culture, we aim to build an innovative, resilient and impactful organization that stays true to its purpose of improving the lives of people, animals and the planet through food.

We seek to take deliberate actions that support our stakeholders, including our farmers, suppliers, customers, crew members, consumers, stockholders, the environment, and the communities in which we operate. In support of these efforts, we maintain workplace practices intended to support crew members and enable their success.

Internally, advancing our mission requires building effective, high-performing teams that bring together a range of diverse perspectives and experiences. We seek to foster an inclusive and collaborative work environment aligned with our core values of Growth, Humility, Empathy, Ownership, and Competing to Win. By embedding these principles into our operations and ways of working, we aim to build an innovative, resilient and purpose-driven organization.

Our Crew Impact function focuses on activities related to attracting, developing, retaining, and advancing talent, with the objective of supporting a workforce that reflects our stakeholders and the communities we serve. These efforts include intentional actions to build teams that reflect varying perspectives, reduce barriers, support fair access to opportunities, and ensure that diverse voices are considered and integrated into how we operate.

As part of this work, we have established seven crew resource groups, or CRGs. These CRGs are designed to support learning, connection, and engagement among crew members. In addition to our internal initiatives, we engage in external efforts intended to support access to ethical food and community resilience in the regions where we operate.

## *Workplace Health and Safety*

We continue to prioritize the safety and well-being of our crew and have a number of features to ensure our crew members feel safe, engaged and valued. At Egg Central Station, these features include continued identification of opportunities to automate more physically challenging processes and partnership with a local occupational health organization for regular assessment and training of Egg Central Station crew members on ergonomics and better techniques to use full range of motion. We have enhanced both our in-person and virtual safety training programs. Our crew members at Egg Central Station are required to wear safety equipment including bump caps, hearing protection, safety glasses, safety boots and hair/beard nets. Additionally, we have developed specialized safety policies for different functions and action plans in case of emergency situations, and we continue to follow protocols and take preventative measures to protect the health and safety of our crew members, customers, and communities.

## *What We Value*

We have defined our company values as (1) Be Humble, (2) Act Like an Owner, (3) Lead with a Growth Mindset, (4) Practice Empathy and (5) Compete to Win. We start each of our monthly “Raise the Barn” all-company meetings by reiterating our values. We strive to create a culture that reflects these important pillars of our business.

- **We are Humble:** We recognize that we win and lose as a team, and we leave our egos at the door. We orient crew members towards common priorities by communicating these priorities throughout the organization. Each quarter, crew members and their managers discuss professional development priorities and set individual goals. We hold ourselves accountable to business objectives and know that we can all improve through continuous feedback.
- **We Act Like Owners:** We know our crew plays a critical role in our success and want them to have a stake in the outcome that they help create. We provide our crew members with competitive compensation. At our Egg Central Station facility in Missouri, our hourly crew members are paid wages that are in excess of the living wage for an individual without children in this market. All full-time crew members are eligible for health insurance, paid parental leave, retirement contributions, employee stock purchase plan participation, equity grants and complimentary Vital Farms products.
- **We Lead with a Growth Mindset:** We bring the drive to succeed, the desire to learn and the energy to keep raising the standards on everything we do. We offer a wealth of learning opportunities to support the development of our crew. We set the foundation with our in-depth onboarding program and then keep the momentum through self-paced courses in our online learning platform, lunch & learn programs lead by subject matter experts and live courses. We level up with professional coaching, programming from esteemed external collaborators on key skills such as problem solving and curated leadership development programs. We are focused on providing an ecosystem of developmental resources that ensure our crew members develop their skills to be successful at Vital Farms and beyond.

- **We Practice Empathy:** We believe that we get to better answers when we incorporate different perspectives and experiences into our work. We believe a diverse and inclusive crew is crucial to our long-term success as a business and a priority for us as our values remain rooted in Conscious Capitalism. Under the leadership of our Director of Crew Impact and our Crew Impact Council, we have worked to drive inclusion and belonging across our crew and supply chain.
- **We Compete to Win:** We are fierce competitors who like to win for all of our stakeholders, and we believe that prioritizing our stakeholders' long-term viability will produce stronger outcomes, for everyone, over time. Our business model is not a trade-off between purpose and profit; rather, we believe that our purpose of improving the lives of people, animals and the planet through food has always been a critical driver of our growth.

### *Our Crew Members*

As of December 28, 2025, we had approximately 739 full-time crew members, including 507 in operations, 76 in sales and marketing, 39 in finance and 119 in general and administrative functions, all of whom are located in the United States. As of December 28, 2025, approximately 40% of our full-time crew members were women and approximately 19% were self-identified members of underrepresented minority groups.

None of our crew members is represented by a labor union. We have never experienced a labor-related work stoppage, and we consider our relations with our crew members to be good.

### **Our Corporate Information**

We were founded in 2007, originally incorporated in Texas in July 2009 and reincorporated in Delaware in June 2013, and we converted into a public benefit corporation in Delaware in October 2017. Our principal executive offices are located at 3601 South Congress Avenue, Suite C100, Austin, Texas 78704, and our telephone number is (877) 455-3063. Our website address is [vitalfarms.com](http://vitalfarms.com). Information contained on, or that can be accessed through, our website is not incorporated by reference into this Annual Report or any of our other filings with the Securities and Exchange Commission, or SEC. We make available on our website, free of charge, our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information regarding our filings at [www.sec.gov](http://www.sec.gov).

## Item 1A. Risk Factors

*Our operations and financial results are subject to various risks and uncertainties. The following is a description of the known factors that may materially affect our business, results of operations or financial condition. You should carefully consider the following risk factors, as well as the other information in this Annual Report. If any of the following risks actually occurs, our business, results of operations and financial condition could be adversely affected. In this case, the trading price of our common stock would likely decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may adversely affect our business, financial condition and results of operations.*

### Summary of Selected Risks Associated with Our Business

Our business faces significant risks and uncertainties. If any of the following risks are realized, our business, financial condition and results of operations could be materially and adversely affected. These risks include, among others, the following:

- Our recent, rapid growth may not be indicative of our future growth, and if we continue to grow rapidly, we may not be able to effectively manage our growth or evaluate our future prospects. If we fail to effectively manage our growth or evaluate our future prospects, our business could be adversely affected.
- We may not be able to maintain or increase our profitability in the future.
- Sales of shell eggs constitute the vast majority of our revenue, and a reduction in these sales would have an adverse effect on our financial condition.
- Failure to introduce successful new products, successfully enter new product categories or successfully pursue growth by other means may adversely affect our ability to continue to grow.
- If we fail to effectively expand our processing, manufacturing and production capacity as we continue to grow and scale our business, our business and operating results could be adversely affected.
- If our forecasts of future supply capacity or customer and consumer demand are inaccurate, our business and operating results could be harmed.
- A substantial amount of our shell egg processing occurs at our Egg Central Station egg washing and packing facility in Missouri. Any damage or disruption at this facility, any disruption in the availability of resources utilized at this facility or any constraints related to acquiring, maintaining and operating the processing equipment for our shell eggs, may harm our business.
- Our planned Vital Crossroads egg washing and packing facility with onsite cold storage in Indiana or other future expansions of our processing capacity may not provide us with the benefits we expect to receive.
- We are dependent on the market for shell eggs, and fluctuations in this market, including the decline of commodity shell egg prices relative to the price of our shell eggs, could adversely affect our business, financial condition and results of operations.
- If we fail to effectively maintain relationships within our existing farm network or further expand our farm network, our business, operating results and brand reputation could be adversely affected.
- If our development and operation of accelerator farms do not result in the benefits we anticipate, our business and financial results may be adversely affected.
- Outbreaks of agricultural diseases, including avian influenza and egg drop syndrome, the perception that outbreaks may occur or regulatory or market responses to outbreaks could reduce supply or demand for our products and harm our business.
- If we fail to effectively price our products or effectively implement price increases, our financial condition may be adversely affected.
- Increased transportation and freight costs or failure by our transportation providers to pick up raw materials or deliver our products on time, in compliance with applicable governmental regulations or at all, have adversely impacted and are expected to continue to adversely impact our operating results.
- Our future business, results of operations and financial condition may be adversely affected by reduced or limited availability of eggs, cream for our butter and other raw materials that meet our standards.
- We may not be able to compete successfully in our highly competitive market.

- We currently have a limited number of third-party co-manufacturers and cold storage providers. The loss of one or more of our co-manufacturers or cold storage providers or our failure to timely identify and establish new relationships could harm our business and impede our growth.
- We must expend resources to maintain consumer awareness of our brand, build brand loyalty and generate interest in our products. Our marketing strategies and channels will evolve, and our programs may or may not be successful.
- We could be adversely affected by a change in consumer preferences, perception and spending habits in the natural food industry generally and with respect to animal-based products in particular. Any failure to develop or enrich our product offerings or gain market acceptance of our new products could have a negative effect on our business.
- A limited number of distributors represent a substantial portion of our sales, and disruptions affecting our significant distributors or our relationships with such distributors may adversely affect our results of operations.
- We are dependent on hatcheries and pullet farms to supply our network of family farms with laying hens. Any disruption in that supply chain could materially and adversely affect our business, financial condition or results of operations.
- Fluctuations in commodity prices and in the availability of feed grains could negatively impact our results of operations and financial condition.
- Consolidation of retail customers or the loss of a significant retail customer could negatively impact our sales and profitability.
- Elevated interest rates could adversely affect our business and the ability of our family farmers to access capital.
- We source substantially all of our shell egg cartons from a sole source supplier, and any disruptions may impact our ability to sell our eggs.
- Our brand and reputation may be diminished due to real or perceived quality or food safety issues with our products, which could have an adverse effect on our business, reputation, operating results and financial condition.
- If we fail to retain and motivate members of our management team or other key crew members or fail to attract, train, develop and retain additional qualified crew members to support our operations, our business and future growth prospects may be harmed.
- If we cannot maintain our company culture or focus on our purpose as we grow, our business and competitive position may be harmed.
- Disruptions in the worldwide economy may adversely affect our business, results of operations and financial condition.
- Food safety and food-borne illness incidents or advertising or product mislabeling may materially and adversely affect our business by exposing us to lawsuits, product recalls or regulatory enforcement actions, increasing our operating costs and reducing demand for our product offerings.
- Our operations are subject to FDA and USDA federal regulations, as well as other federal, state and local regulations, and there is no assurance that we will be in compliance with all applicable regulations.
- We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our or such third parties' actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation (including class claims) and mass arbitration demands, fines and penalties, disruption of our business operations, reputational harm, loss of revenue or profits and other adverse consequences.
- If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

## **Risks Related to Our Growth and Capital Requirements**

*Our recent, rapid growth may not be indicative of our future growth, and if we continue to grow rapidly, we may not be able to effectively manage our growth or evaluate our future prospects. If we fail to effectively manage our growth or evaluate our future prospects, our business could be adversely affected.*

We have grown rapidly since inception and anticipate further growth. For example, our net revenue increased from \$471.9 million in fiscal 2023 to \$606.3 million in fiscal 2024 to \$759.4 million in fiscal 2025. This growth has placed significant demands on

our management, financial, operational, technological and other resources. The growth and expansion of our business depends on a number of factors, including our continued ability to:

- increase awareness of our brand and successfully compete with other companies;
- price our products effectively to attract new consumers and customers and expand sales to our existing consumers and customers;
- expand distribution with new and existing customers;
- innovate and expand our product offerings;
- expand our supplier, co-manufacturing, co-packing, cold storage, processing and distribution capacities;
- invest in and effectively implement information technology systems and related improvements to our processes and procedures; and
- maintain quality control over our product offerings.

Our growth has placed, and will continue to place, significant demands on our management and operations teams and will continue to require significant additional resources, financial and otherwise, to meet our needs, resources that may not be available in a cost-effective manner or at all. We expect to continue to expend substantial resources on our current and future processing facilities, our sales and marketing efforts, product innovation and development and general administration associated with being a public company.

These investments may not result in the continued growth of our business. Even if these investments do result in the growth of our business, if we do not effectively manage our growth, we may not be able to execute on our business plan, respond to competitive pressures, take advantage of market opportunities, satisfy customer requirements or maintain high-quality product offerings, any of which could adversely affect our business, financial condition and results of operations.

***We may not be able to maintain or increase our profitability in the future.***

Our ability to maintain or increase our profitability is subject to various factors, many of which are beyond our control. As we continue to expand our operations, we anticipate that our operating expenses and capital expenditures will continue to increase in the foreseeable future as we invest to increase our household penetration, customer base, supplier network, marketing channels and product portfolio, as we expand and enhance our processing, manufacturing and distribution facilities, and as we hire additional crew members. Our ongoing efforts to grow and develop our supply chain may prove more expensive than we anticipate (including as a result of increases in input costs or disruptions in our supply chain relating to outbreaks of agricultural diseases, trade wars, tariff regimes, domestic or geopolitical tensions, public health pandemics, inflation or other factors), and we may not succeed in increasing our net revenue and margins sufficiently to offset higher expenses. We have incurred significant expenses in connection with investing in and expanding our processing capacity, developing our co-manufacturing and co-packing relationships and obtaining and storing raw materials, and we will continue to incur significant expenses in developing and marketing products. In addition, many of our expenses, including the costs associated with our existing and future processing facilities, may be fixed. We expect that we will continue to incur significant legal, accounting and other expenses as we grow and mature as a public company. If we fail to grow our revenue at a greater rate than our costs and expenses, we may be unable to maintain or increase our profitability and may incur losses in the future.

***Sales of shell eggs constitute the vast majority of our net revenue, and a reduction in these sales would have an adverse effect on our financial condition.***

Shell eggs accounted for approximately 95% of our net revenue in fiscal 2023, 93% of our net revenue in fiscal 2024 and 93% of our net revenue in fiscal 2025. Shell eggs are our flagship product and have been the focal point of our sales and marketing efforts. We believe that sales of shell eggs will continue to constitute a significant portion of our net revenue, net income and cash flow for the foreseeable future. We cannot be certain that we will be able to continue to expand sales, processing and distribution of shell eggs, or that consumer and customer demand for our other existing and future products will expand to allow such products to represent a larger percentage of our revenue than they do currently. Furthermore, we could experience a decrease in sales of shell eggs due to one or more factors. For example, widespread outbreaks of highly pathogenic avian influenza, or HPAI, could impact supply of and demand for shell eggs and negatively impact our business. For additional details surrounding risks related to agricultural disease, see elsewhere in the Risk Factors, including “—Outbreaks of agricultural diseases, including avian influenza and egg drop syndrome, the perception that outbreaks may occur or regulatory or market responses to outbreaks could reduce supply or demand for our products and harm our business.” Any factor adversely affecting sales of our shell eggs (including consumers’ election to purchase lower-priced private-

label or other economy brands during times of economic uncertainty or as a result of supply fluctuations) could have an adverse effect on our business, financial condition and results of operations.

***Failure to introduce successful new products, successfully enter into new product categories or successfully pursue growth by other means may adversely affect our ability to continue to grow.***

One element of our growth strategy involves the development and marketing of new products that meet our standards for quality and appeal to consumer preferences. The success of our innovation and product development efforts is affected by our ability to anticipate changes in consumer preferences, the technical capability of our crew members in developing and testing product prototypes, our ability to comply with applicable governmental regulations, and the success of our management, sales and marketing teams in introducing and marketing new products in current or new product categories. There can be no assurance that we will successfully develop and market new products or successfully introduce products in current or new categories. The development and introduction of new products requires substantial marketing expenditures, which we may be unable to recoup if new products do not gain widespread market acceptance. If we introduce new or improved products that ultimately do not meet our objectives, it could impact our growth, sales and profitability. Any failure to successfully develop, market and launch future products or successfully enter into new product categories may lead to decreased growth, sales and profitability.

Further risks are presented if we elect to pursue continued growth or enter new product categories by means other than new product introductions, including by acquisitions or investments in businesses or technologies that we believe could offer growth opportunities. The pursuit of such opportunities may divert the attention of management and may cause us to incur various expenses in identifying, investigating and pursuing such transactions, regardless of whether such opportunities are realized. Such transactions may also result in potentially dilutive equity issuances, the incurrence of debt or contingent liabilities or challenges with integration, any of which could adversely affect our business, financial condition and results of operations.

***We estimate market opportunity and forecast market growth that may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, if at all.***

Our estimates of market opportunity and growth forecasts included in this Annual Report and elsewhere, including in connection with our earnings guidance and long-term financial goals, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, particularly in light of economic uncertainties. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of customers covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost and perceived value associated with our products and those of our competitors. Even if a market in which we compete meets our size estimates and growth forecasts, our business could fail to grow at the rate we anticipate, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, our forecasts of market growth should not be taken as indicative of our future growth.

***We may require additional financing to achieve our goals, and the failure to obtain this necessary capital when needed on acceptable terms, or at all, may force us to delay, limit, reduce or terminate our product manufacturing and development, and other operations.***

We have funded our operations since inception primarily through equity financings, draws on our credit facilities and sales of our products. We have incurred and expect to continue to incur significant expenses related to the expansion of our processing capacity. We believe that we will continue to expend substantial resources for the foreseeable future as we consider additional markets we may choose to pursue and other growth opportunities.

We expect that our existing cash, cash equivalents and marketable securities, together with cash provided by our operating activities and available borrowings under our syndicated credit facility with JPMorgan Chase Bank, N.A., or the Credit Facility, will be sufficient to fund our planned operating expenses and capital expenditure requirements through at least the next 12 months. However, our operating plan may change because of factors currently unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources. We may seek financing in connection with potential new product introductions, capital expenditures to expand our supply chain and process capabilities, acquisitions or investments in businesses or technologies that we believe could offer growth opportunities, share repurchases or other uses of capital. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Such financings may result in dilution to stockholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect our business.

Our ability to access additional capital may further be affected by adverse or uncertain economic conditions. Weakness and volatility in the capital markets and the economy in general could make it more difficult to access the capital markets and could increase our cost of borrowing.

***The agreements governing our credit facility require us to meet certain covenants, which could restrict our operational and financial flexibility.***

The Credit Facility provides for a revolving line of credit with a maximum borrowing capacity of \$60.0 million. The Credit Facility contains certain restrictive covenants, in each case subject to certain exceptions. The restrictive covenants in the Credit Facility limit our ability to incur or guarantee additional indebtedness, incur liens, make distributions, pay dividends, make investments, enter into fundamental changes such as mergers or consolidations, engage in transactions with our affiliates, change our fiscal year or substantially change the nature of our business. The Credit Facility also requires us to maintain two financial covenants: (i) a fixed charge coverage ratio and (ii) a net leverage ratio. These provisions may affect our ability to pursue business opportunities we find attractive or to maintain flexibility in reacting to changes in business conditions.

Our failure to comply with the covenants in the Credit Facility or other terms of any present or future indebtedness could result in an event of default under such indebtedness, which, if not cured or waived, could result in the lender or lenders under such indebtedness declaring all obligations, together with accrued and unpaid interest, immediately due and payable and taking control of any collateral securing such indebtedness. This may require us to amend or refinance our indebtedness on less favorable terms.

If we are forced to amend or refinance the Credit Facility on less favorable terms or are unable to do so at all, our business, financial condition and results of operations could be adversely affected. In any such case, we may be unable to borrow under the Credit Facility or other indebtedness and may not be able to repay the amounts due thereunder. This could have an adverse effect on our business, financial condition, results of operations and prospects.

**Risks Related to Our Business, Our Brand, Our Products and Our Industry**

***If we fail to effectively expand our processing, manufacturing and production capacity as we continue to grow and scale our business, our business and operating results could be adversely affected.***

While our current supply, processing and manufacturing capabilities are sufficient to meet our present business needs, we are in the process of expanding these capabilities as we continue to grow and scale our business. In 2025, we broke ground on Vital Crossroads, our second egg washing and packing facility with onsite cold storage in Seymour, Indiana, and we continue to pursue growth in our farm network in order to ensure adequate supply. There is risk in our ability to effectively continue to scale production and processing and manage our supply chain requirements, and failure to do so could adversely impact our business, financial condition and results of operations.

***If our forecasts of future supply capacity or customer and consumer demand are inaccurate, our business and operating results could be adversely affected.***

We must accurately forecast demand for our products in order to ensure we have adequate processing and manufacturing capacity to effectively allocate product supply across our stock keeping units. Demand varies quarterly due to seasonal and cyclical purchasing patterns and the timing of large customer orders, which can lead to challenges in accuracy of our forecasts. Our forecasts are based on multiple assumptions that, if inaccurate, may affect our ability to maintain adequate processing and manufacturing and storage capacities (or co-processing and co-manufacturing capacity) in order to meet the demand for our products. These assumptions are based in part on third-party published scanner data about us and other food companies. These metrics are proprietary to the provider, and may not accurately reflect the actual levels of purchase orders, revenue, or consumer purchases of our products. There is a possibility that third parties could change their methodologies for calculating these metrics in the future. If we fail to meet demand for our products, consumers who have previously purchased our products may buy other brands and retail customers may allocate shelf space to other brands, each of which could adversely affect our business, financial condition and results of operations.

On the other hand, if we overestimate our demand or overbuild our capacity or our supply of eggs, we may have significantly underutilized supply or other assets. This may result in reduced margins associated with selling excess product at reduced prices, and we may incur costs associated with storing or donating excess product or selling it at reduced prices. If we do not accurately align our processing and manufacturing capabilities with demand, our business, financial condition and results of operations could be adversely affected.

***A substantial amount of our shell egg processing occurs at our Egg Central Station egg washing and packing facility in Missouri. Any damage or disruption at this facility, any disruption in the availability of resources utilized at this facility or any constraints related to acquiring, maintaining and operating the processing equipment for our shell eggs, may harm our business.***

A substantial amount of our shell egg processing occurs at our Egg Central Station egg washing and packing facility in Missouri. Any shutdown or period of reduced production at this facility, which may be caused by regulatory noncompliance or other issues, as well as factors beyond our control, such as natural disaster, extreme weather events, fire, power or other utility interruption, work stoppage, disease outbreaks or pandemics, equipment failure or maintenance or delay in raw materials delivery, could significantly disrupt our ability to deliver our products in a timely manner, meet our contractual obligations and operate our business.

Furthermore, the prices for and availability of energy resources supplied by third parties, including electricity, natural gas, water and other resources may be subject to volatile market conditions. For example, at the end of fiscal year 2024 and continuing into early fiscal year 2025, we experienced a series of leaks that led to more water usage than usual and higher utility costs. Any reduction or curtailment of these energy resources or disruptions in the supply of such resources, including due to factors beyond our control, or increased expenses from unintended use, could impair our ability to operate our business.

Further, the processing equipment used for our shell eggs is costly to maintain, replace and repair, in part because certain of such equipment is sourced internationally. We have at times seen pricing and capacity constraints related to internationally sourced equipment, and our supply chains may be further disrupted in connection with public health pandemics, domestic or geopolitical tensions, wars, inflation, trade wars, tariff regimes, or other factors. If any material amount of our machinery were damaged, we could be unable to predict when, if at all, we could replace or repair such machinery or find co-manufacturers with suitable alternative machinery, which could adversely affect our business, financial condition and operating results. The property and business disruption insurance we maintain may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms or at all.

***Our planned Vital Crossroads egg washing and packing facility with onsite cold storage in Indiana or other future expansions of our processing capacity may not provide us with the benefits we expect to receive.***

In 2025, we broke ground on Vital Crossroads, our second egg washing and packing facility with onsite cold storage in Seymour, Indiana, which we expect to be fully operational in early 2027. Constructing and opening this facility will require significant capital expenditures and the efforts and attention of our management and other crew members, which may divert resources from our existing business or operations. In addition, we will need to hire and retain more skilled crew members to operate the new facility, and we will need to recruit and retain additional family farms to supply the new facility. If we are unable to effectively staff and supply this facility, it may not meet our operational and financial expectations. Even if the new facility is brought up to full processing capacity, it may not provide us with all of the operational and financial benefits we expect to receive.

***We are dependent on the market for shell eggs, and fluctuations in this market, including the decline of commodity shell egg prices relative to the price of our shell eggs, could adversely affect our business, financial condition and results of operations.***

We contract with family farms to purchase all of their egg production for the duration of our contracts. We are contractually obligated to purchase these eggs irrespective of our ability to sell such eggs. Periodically in our industry, and at times during fiscal 2024 and fiscal 2025, there have been supply shortages in the egg industry, with supply impacted by, among other things, avian influenza, increased demand for eggs and increases in feed and other input costs. Such supply shortages, together with price increases we or others in the industry have implemented or may choose to implement in the future, could result in declining consumer demand for shell eggs or inability to fulfill customer or consumer demand, each of which could have a material impact on our financial condition and results and operations. Conversely, there has periodically in prior periods been an oversupply of eggs, which caused egg prices to contract, sometimes substantially so, and as a result we have sold or donated our excess supply at reduced prices or no cost. If we are unable to sell our eggs on commercially reasonable terms, or at all, our gross margins, business, financial condition and operating results may be adversely affected.

We sell shell eggs to consumers at a premium price point, and when prices for commodity shell eggs fall relative to the price of our shell eggs (including due to price increases we may implement or supply expansions in the market for commodity shell eggs), price-sensitive consumers may choose to purchase commodity shell eggs offered by our competitors at a greater velocity than, or instead of, our shell eggs. As a result, low commodity shell egg prices relative to the price of our shell eggs may adversely affect our business, financial condition and results of operations.

We also sell a small percentage of our shell eggs to wholesalers and egg breaking plants at commodity shell egg prices, which fluctuate widely and are outside our control. Small increases in production or small decreases in demand can have a large adverse effect on the prices at which these eggs are sold.

***If we fail to effectively maintain relationships within our contracted farm network or further expand our farm network, our business, operating results and brand reputation could be harmed.***

We source our eggs primarily from our network of family farms, which is the foundation of our supply chain. The cream for our butter is sourced from a network of family farms contracted by our butter supplier. If we are unable to maintain and expand this supply chain because of actions taken by our contracted farmers or other events outside of our control (including the failure of our butter supplier to maintain or expand its contracted farm network), we may be unable to timely supply distributors and customers with our products, which could lead to cancellation of purchase orders, damage to our commercial relationships and impairment of our brand. For example, we require our contracted egg farmers to build and equip their farms to certain specifications, which requires a significant upfront capital investment, and any inability of farmers to obtain adequate financing on acceptable terms, including due to elevated interest rates, would impair their ability to contract with us. These and other factors, including economic uncertainty, may make it more difficult for us to recruit and attract new farmers to our network in a number sufficient to meet product demand.

There are a number of factors that could impair our relationship with farmers, many of which are outside of our control. While we strive to operate our business in a manner that drives long-term and sustainable benefits for our stakeholders, including our farmers, we may make strategic decisions that our farmers disagree with and which could cause farmers to terminate their relationships with us. Reputational harm resulting from impairment of our relationship with existing farmers may also make it more difficult to attract new farmers to expand our network. Furthermore, we compete with other companies for the recruitment and retention of farmers, and these companies may attempt to incentivize our contracted farmers to terminate (or decline to renew) their contracts with us. If our relationship with our existing or future farmers is disrupted due to these or other factors, we may not be able to sustain the supply necessary to meet customer and consumer demand for our products, which would negatively impact our operating results.

***If our development and operation of accelerator farms do not result in the benefits we anticipate, our business and financial results may be adversely affected.***

In fiscal 2025, we placed laying hens at the first of our company-owned accelerator farms, and we have begun to source eggs from our accelerator farms. We have plans for further development of accelerator farms in the geographic region we refer to as the Pasture Belt, the U.S. region where the weather is conducive to hens being outside as much as possible. We may not be able to adequately build, develop or staff such accelerator farms as planned, and they may not result in the benefits we anticipate. We may not be successful in operating accelerator farms, and we may not be able to realize the anticipated benefits of the research and development conducted on such farms. If we elect to sell one or more accelerator farms to interested farmers, market conditions may prevent us from doing so on acceptable terms, and if we are unable to adequately develop and operate farms on previously purchased farmland, we may be required to sell such farmland or other assets purchased in connection with the development and operation of such farms, potentially at a loss. The purchase, development, operation and potential sale of these farms has required and will continue to require significant capital expenditures and the efforts and attention of our management and other crew members, which may divert resources from our existing business or operations. Any failure to maintain or expand our farm network would adversely affect our business, financial condition and results of operations.

***Outbreaks of agricultural diseases, including avian influenza and egg drop syndrome, the perception that outbreaks may occur or regulatory or market responses to outbreaks could reduce supply or demand for our products and harm our business.***

Our business activities are subject to a variety of agricultural risks, including pests and diseases such as HPAI and egg drop syndrome, or EDS, the occurrence of which can materially and adversely affect the quality and quantity of products, including shell eggs, that we distribute.

Since the initial outbreak of HPAI in early 2022, we have been closely following the progression of the virus. In 2024 and continuing into 2025, HPAI has been detected in the United States in dairy cattle, wild birds, mammals and farm workers directly exposed to the infected dairy or poultry. In fiscal 2024, we experienced an outbreak of HPAI at one of our farms.

In October 2024, we were informed of the outbreak of EDS, on certain of our farms in Missouri. A total of nine of our farms experienced outbreaks of EDS in fiscal 2024 and 12 of our farms experienced outbreaks of EDS in fiscal 2025. We have been closely working with our farmers, veterinarians, government health officials and animal welfare auditors to follow protocol and ensure that

our flocks are kept as safe as possible, including the procurement and implementation of newly available vaccinations for EDS. However, we may not be able to obtain enough vaccinations to treat all of the flocks in our network.

While we have not experienced material disruptions to our egg supply due to such agricultural disease outbreaks, if a substantial portion of our farms or production facilities were affected by an outbreak of HPAI, EDS or a similar disease, this could have a material and adverse effect on our business, financial condition and results of operations. Such outbreaks are difficult to forecast and are influenced by a number of factors, including seasonal bird migration patterns. Additionally, outbreaks of HPAI, EDS or similar diseases could limit our ability to utilize co-packers for our shell eggs due to increased biosecurity measures that may be implemented by such co-packers in the event of an outbreak.

Even if our farms and production facilities were not directly impacted by avian disease, we may nevertheless be negatively affected by its impact on the egg industry as a whole. In fiscal 2024 and fiscal 2025, HPAI-related disruptions in the supply of conventional eggs resulted at times in increased demand for premium egg products such as ours, which occasionally resulted in shortages of these eggs on shelves at our retail customers. Additionally, existing or new outbreaks of agricultural diseases could result in governmental restrictions on our operations and the sale and distribution of our products, as well as negative publicity and impacted consumer perceptions for our industry. Such impacts could result in decreased consumer demand for our products and impact our operating results.

Additionally, certain states in which our family farms and accelerator farms are located have at times recommended or required that farms keep hens indoors to help limit exposure to avian diseases. Prolonged requirements to keep our hens indoors could adversely impact consumer perception of our egg products in comparison to those of our competitors, which could have a negative effect on our business, financial condition and operating results. These impacts could be exacerbated in the event of widespread transmission of HPAI or other agricultural diseases to humans. EDS is not known to be transmittable to humans, and while human cases of HPAI are rare and U.S. public health officials consider the risk of human infection with HPAI to be low, significant changes or increases to the circulation or transmission of HPAI or other agricultural diseases could adversely impact our business, including our ability to recruit and retain farmers.

***If we fail to effectively price our products or effectively implement price increases, our financial condition may be adversely affected.***

The prices of our products are driven by a number of factors, including supply fluctuations, customer and consumer demand, inflation, input costs and market conditions. In response to such conditions, we have periodically increased prices on certain of our products. While we have not yet seen significant decreases in sales volume due to such price increases, if we further increase prices, we could experience declining demand for our products, decreased ability to attract new customers and lower sales volumes. If price increases result in a greater spread between the price of our products and the price of conventional or private-label products, consumers may be less willing to pay a premium for our products, particularly in times of economic uncertainty. For example, we have at times seen our retail customers choose not to accept such price increases or require price increases to occur after a specified period of time. If we cannot effectively price our products or carry out price increases, our business, financial condition and operating results could be adversely affected.

***Increased transportation and freight costs or failure by our transportation providers to pick up raw materials or deliver our products on time, in compliance with applicable governmental regulations or at all, have adversely impact and are expected to continue to adversely impact our operating results.***

We rely upon third-party transportation providers for a significant portion of our raw material transportation and product shipments. Our utilization of pickup and delivery services for shipments is subject to risks, including increases in fuel prices, driver shortages, trucking capacity limitations due to increases in freight demand, employee and contractor strikes or unavailability or inclement weather, any of which could increase our transportation and freight costs. For example, due in part to increased labor costs and rising fuel costs due to geopolitical tensions and wars, we have seen at times during recent periods increased transportation and freight costs. Further increases in transportation and freight costs could have an adverse effect on our ability to increase or to maintain production on a profitable basis and could therefore adversely affect our operating results. We may not be able to price our products in a manner that sufficiently offsets increased transportation costs due to consumer price sensitivity or the pricing postures of our competitors, and we have at times seen our retail customers choose not to accept a price increase or require price increases to occur after a specified period of time has elapsed. In addition, if we increase prices to offset higher transportation and freight costs, we could experience lower demand for our products, decreased ability to attract new customers and lower sales volumes.

In addition, we may experience theft or misappropriation of our products while they are at our processing facilities, in cold storage or during the course of their shipment to our customers. We maintain insurance to cover losses resulting from theft.

Nevertheless, if our security measures fail, losses exceed our insurance coverage, or we are not able to maintain insurance at a reasonable cost, we could incur significant losses from damage, loss or theft, any of which could substantially harm our business and results of operations.

Furthermore, noncompliance by our third-party transportation providers with applicable regulatory requirements may impact the ability of providers to provide delivery services that adequately meet our shipping needs. Due to increased costs or noncompliance by our transportation providers with applicable regulatory requirements, we may change shipping companies, and we could face logistical difficulties with any such change that could adversely affect deliveries. In addition, we could incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favorable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and adversely affect our operating results.

***Our future business, results of operations and financial condition may be adversely affected by reduced or limited availability of eggs, cream for our butter and other raw materials that meet our standards.***

Our ability to ensure a continued supply of eggs, cream for our butter and other raw materials for our products at competitive prices depends on many factors beyond our control. In particular, we rely on the farms that supply us with eggs and cream to implement controls and procedures to manage the risk of exposing animals to harmful diseases, including confining hens when appropriate, but outbreaks may occur despite their efforts. An outbreak of disease could result in increased government restriction on the sale and distribution of our products, and negative publicity could impact customer and consumer perception of our products, even if an outbreak does not directly impact the animals from which we source our products. The farm network for our shell eggs is located in the Pasture Belt. The dairy farms that supply our cream are located primarily in Ireland. The occurrence of a natural disaster or extreme weather event in any of these regions could have a significant negative impact on us, the farmers and our supply chain. Additionally, the animals from which our products are sourced, the crops on which we rely for feed and the pastures on which these animals are raised are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Disease, adverse weather conditions and natural disasters can adversely impact pasture quantity and quality, leading to reduced yields and quality, which in turn could reduce the available supply of, or increase the price of, our raw materials. If we raise prices for our products to account for this increase, we could experience decreased demand for our products and lower sales volumes, which would adversely affect our business, financial condition and results of operations.

We compete with other food companies for the procurement of eggs and cream, and this competition may increase in the future if consumer demand increases for these items or products containing them or if competitors increasingly offer products in these market sectors. If supplies of eggs and cream that meet our quality standards are reduced or are in greater demand, we may not be able to obtain sufficient supply to meet our needs on favorable terms or at all.

Our supply may also be affected by the number and size of farms that raise hens and cows in a manner that meets our standards, changes in U.S. and global economic conditions and our ability to accurately forecast our raw materials requirements. For example, in order to meet our standards, we require our contracted egg farmers to invest in infrastructure at the outset of our relationship. The typical upfront investment for each of the farms is significant, and many farmers seek financing assistance from local and regional banks as well as federal government loans from the U.S. Department of Agriculture, or USDA, Farm Service Agency. Changes in U.S. and global economic conditions, elevated interest rates, government shutdowns, changes to certain government policies and assistance programs, such as Supplemental Nutrition Assistance Program benefits, federal staffing reductions or the limitation or elimination of sources of U.S. government loan assistance could significantly affect the loans available to farmers. Many of these farmers have alternative income opportunities, including opportunities to raise animals for competing companies, and the relative financial performance of raising hens in accordance with our standards as compared to other potentially more profitable opportunities could affect their interest in working with us. Any of these factors could impact our ability to supply our products to distributors and customers and may adversely affect our business, financial condition and results of operations.

***We may not be able to compete successfully in our highly competitive market.***

We compete with large egg companies such as Cal-Maine Foods, Inc. and large international food companies such as Ornuia Co-operative Limited (Kerrygold). Our competitors also include local and regional egg and dairy companies, as well as private-label products processed by other egg and dairy companies. We compete with such companies for new and existing consumers, for shelf space at our retail customers and for the services of family farmers. Furthermore, if additional competitors elected to list their stock on the public markets, investor interest in our common stock could decline as a result. Our competitors may have substantially greater financial and other resources than us, and some of our competitors' products are well accepted in the marketplace today. Such competitors may also have lower operational costs, and as a result may be able to offer comparable or substitute products to customers at lower costs. This could put pressure on us to lower our prices, resulting in lower profitability or, in the alternative, cause us to lose market share if we fail to reduce prices. Conversely, if we were to increase prices, including as a result of fluctuations in the shell egg

market, increased commodity or raw material costs, increased packaging or transportation costs or otherwise, any resulting decline in consumer demand for our products may be exacerbated by the competitiveness of our market.

Generally, the food industry is dominated by multinational corporations with substantially greater resources and operations than we have. We cannot be certain that we will successfully compete with larger competitors that have greater financial, sales and technical resources. Conventional food companies may acquire our competitors or launch their own egg and butter products, and they may be able to use their resources and scale to respond to competitive pressures and changes in consumer preferences by introducing new products, reducing prices or increasing promotional activities, among other things. Retailers also market competitive products under their own private labels, which are generally sold at lower prices, and may change the merchandising of our products so they have less favorable placement. Larger competitors may also be less affected by economic disruption and uncertainty, including with respect to inflation, global economic conditions or agricultural diseases such as avian influenza, than we are. In recent years, there has been increasing market consolidation among local, regional and national specialty egg and dairy companies. These competitive pressures could cause us to lose market share, which may require us to lower prices, increase marketing and advertising expenditures or increase the use of discounting or promotional campaigns, each of which could adversely affect our margins and could result in a decrease in our operating results and profitability.

***Failure to leverage our brand value propositions to compete against private-label products, especially during an economic downturn, may adversely affect our profitability.***

We compete not only with other well-advertised nationally branded products, but also with private-label products. Such private-label products generally are sold at lower prices than our products. Consumers are more likely to purchase our products if they believe that our products provide higher quality and greater value than less expensive alternatives. If the difference in perceived value between our brands and private-label products narrows, or if there is a perception of such a narrowing, consumers may choose not to buy our products at prices that are profitable for us. In periods of economic uncertainty or periods when there is an oversupply of commodity shell eggs, consumers may purchase more often from lower-priced private-label or other economy brands. To the extent this occurs, we could experience a decrease in the sales volume of our higher margin products or a shift in our product mix to lower margin offerings. In addition, our foodservice product sales will be reduced if consumers reduce the amount of food that they consume away from home at our foodservice customers due to economic uncertainty or otherwise.

***We currently have a limited number of third-party co-manufacturers and cold storage providers. The loss of one or more of our co-manufacturers or cold storage providers or our failure to timely identify and establish new relationships with new co-manufacturers or cold storage providers could harm our business and impede our growth.***

A significant amount of our revenue is derived from products manufactured at facilities owned and operated by our co-manufacturers. We currently rely on one co-manufacturer for hard-boiled eggs, one co-manufacturer for bulk butter production, one co-manufacturer for stick butter, one co-manufacturer for liquid eggs and two co-packers for certain shell egg processing. While we currently have written manufacturing contracts with our co-manufacturers for bulk butter production, stick butter and hard-boiled eggs, we do not currently have written manufacturing contracts with our other co-manufacturer for liquid eggs or with our co-packers for certain shell egg processing. Due to the absence of written contracts with certain of our co-manufacturers and co-packers, these parties can generally seek to alter or terminate their relationships with us at any time, resulting in periods during which we may have limited or no ability to manufacture or pack certain of our products.

Additionally, our leased cold storage facility in Missouri represents a significant portion of our cold storage capacity, and we have in recent periods shifted certain functions, including finished goods storage and order fulfillment, to this facility. Our financial performance depends in large part on our ability to obtain adequate cold storage facility services in a timely manner.

Due to our limited number of co-manufacturers and cold storage providers, any interruption in, or the loss of operations at, one or more of our co-manufacturing or cold storage facilities, which may be caused by work stoppages, regulatory issues or noncompliance, disease outbreaks or global health pandemics, war, terrorism, fire, earthquakes, flooding or other extreme weather events or natural disasters, could delay, postpone or reduce production or distribution of our products, which could have an adverse

effect on our business, financial condition and results of operations until such time as the interruption is resolved or an alternate source of production or distribution is secured, especially in times of low inventory.

***We must expend resources to maintain consumer awareness of our brand, build brand loyalty and generate interest in our products. Our marketing strategies and channels will evolve, and our programs may or may not be successful.***

In order to remain competitive and expand and keep shelf placement for our products, we have increased and may continue to increase our marketing and advertising spending to maintain and increase consumer awareness, protect and grow our existing market share or promote new products, which could impact our operating results. Further advertising and promotional expenditures may be required to maintain or improve our brand's market position or to introduce new products to the market, and participants in our industry are increasingly engaging with non-traditional media, including consumer outreach through social media and web-based channels, which may not prove successful.

Increases in our marketing and advertising efforts may not maintain our current reputation or lead to increased brand awareness. Certain of our marketing and advertising occurs on social media platforms, and such platforms frequently change the algorithms that determine the ranking and display of results of a user's search and may make other changes to the way results are displayed, or may increase the costs of such advertising, which can negatively affect the placement of our links and, therefore, reduce the number of visits to our website and social media channels or make such marketing cost prohibitive. Social media platforms typically require compliance with their policies and procedures, which may be subject to change or new interpretation with limited ability to negotiate, which could negatively impact our marketing capabilities. Further, we at times utilize partnerships with third parties (including social media influencers) to market our products. We may be unable to fully control the actions of such third parties, and they may engage in behavior or use their platforms in a manner that reflects poorly on our business. If we are unable to maintain and promote a favorable perception of our brand and products on a cost-effective basis, due to the actions of social media platforms, third-party partners or otherwise, our business, financial condition and results of operations could be adversely affected.

In addition, we have at times been the subject of, and we could in the future be the subject of, negative social media campaigns beyond our control. Such campaigns, even if they are inaccurate or misleading, could adversely affect the perception of our brand. We are dependent upon consumers' perception of the safety, quality, sustainability and efficacy of our products. Negative consumer perception may arise from media reports, social media posts or comments, product liability claims, regulatory investigations or recalls affecting our products or our industry, any of which may reduce demand or could damage our reputation and adversely affect our business.

***We could be adversely affected by a change in consumer preferences, perception and spending habits in the natural food industry generally and with respect to animal-based products, in particular. Any failure to develop or enrich our product offerings or gain market acceptance of our new products could have a negative effect on our business.***

We have positioned our brand to capitalize on growing consumer interest in natural, clean-label, traceable, ethically produced, great-tasting and nutritious foods. The market in which we operate is subject to changes in consumer preference, perception and spending habits. Our performance depends significantly on factors that may affect the level and pattern of consumer spending in these markets. Such factors include consumer preference, consumer confidence, consumer income, consumer perception of the safety and quality of our products and shifts in the perceived value for our products relative to alternatives. Media coverage or social media scrutiny regarding the safety or quality of, or diet or health issues relating to, our products or the raw materials, ingredients or processes involved in their production may damage consumer confidence in our products. We have at times been the subject of negative social media campaigns employing misinformation or disinformation about our products and standards. A general decline in the consumption of our products could occur at any time as a result of changes in consumer preference, perception, confidence and spending habits, including an unwillingness to pay a premium or an inability to purchase our products due to financial hardship or increased price sensitivity, which may be exacerbated by economic uncertainty and general inflationary trends. For example, we and many of our customers face pressure from animal rights groups to require all companies that supply food products to operate their business in a manner that treats animals in conformity with certain standards developed or approved by these animal rights groups. If consumer preferences shift away from animal-based products for these reasons, because of a preference for plant-based products or otherwise, our business, financial condition and results of operations could be adversely affected.

The success of our products depends on a number of factors, including our ability to accurately anticipate changes in market demand and consumer preferences, our ability to differentiate the quality of our products from those of our competitors, and the effectiveness of our marketing and advertising campaigns for our products. We may not be successful in identifying trends in consumer preferences and developing products that address such trends in a timely manner. We also may not be able to effectively promote our products through our marketing and advertising campaigns and gain market acceptance. If our products fail to gain market acceptance, are restricted by regulatory requirements or have quality problems, we may not be able to fully recover costs and expenses incurred in our operation, and our business, financial condition or results of operations could be materially and adversely affected.

***A limited number of distributors represent a substantial portion of our sales, and disruptions affecting our significant distributors or our relationships with such distributors may adversely affect our results of operations.***

Our products are distributed through a broker-distributor-retailer network whereby brokers represent our products to distributors and retailers who in turn sell our products to consumers. We serve the majority of natural channel customers through food distributors, such as United Natural Foods, Inc., or UNFI, which purchase, store, sell and deliver our products to retailer customers.

In fiscal years 2023, 2024 and 2025, UNFI (the primary distributor for Whole Foods) accounted for approximately 25%, 24% and 22% of our net revenue, respectively. Since distributors act as intermediaries between us and the retail grocers or foodservice providers, who generally select the distributors, we do not have short-term or long-term commitments or minimum purchase volumes in our contracts with distributors that ensure future sales of our products. These distributors are able to decide on the products carried, and they may limit the products available for our retail customers to purchase. We expect that a substantial portion of our sales will be made through a core number of distributors for the foreseeable future. The loss of one or more of our significant distributor relationships that cannot be replaced in a timely manner, under similar terms and conditions or at all could adversely affect our business, financial condition and results of operations.

***Fluctuations in commodity prices and in the availability of feed grains could negatively impact our results of operations and financial condition.***

The price we pay to purchase shell eggs from contracted farmers fluctuates based on pallet weight and is also adjusted quarterly for changes in feed cost, which may cause our agreed-upon pricing under these contracts to fluctuate on a quarterly basis. Therefore, our results of operations and financial condition, including our gross margin and profitability, fluctuate based on the cost and supply of commodities, including corn, soybean meal and other feed ingredients.

Although feed ingredients are available from a number of sources, we have limited control over the prices of these ingredients, which are affected by weather, speculators, tariffs and other international trade restrictions, various supply and demand factors, geopolitical tensions, inflation, transportation and storage costs, and agricultural and energy policies in the United States and internationally. We have at times seen increased prices for conventional and organic corn and soybean crops on a global basis, including increased prices resulting from geopolitical tensions and measures taken in response thereto, inflation and supply chain shortages. We have entered into commodity derivative instrument contracts related to conventional feed ingredients. If we are unable to successfully conduct this program to reduce the impact of commodity price fluctuations, our financial condition and results of operations may be impacted.

We may not be able to increase our product prices enough or in a timely manner to sufficiently offset increased commodity costs due to consumer price sensitivity or the pricing postures of our competitors and we have at times seen our retail customers choose not to accept a price increase or require price increases to occur after a specified period of time elapses. Over time, if we are unable to price our products to cover increased costs, are unable to offset operating cost increases with continuous improvement savings or are unsuccessful in our current or any future commodity derivative instrument or similar program, then commodity price volatility or increases could adversely affect our business, financial condition and results of operations.

***We are dependent on hatcheries and pullet farms to supply our network of contracted family farms and accelerator farms with laying hens. Any disruption in that supply chain could materially and adversely affect our business, financial condition or results of operations.***

Under our agreements with our network of contracted family farms, while we do not own laying hens on those family farms, we are responsible for coordinating the acquisition and delivery of laying hens to the farmers. Additionally, we own and are responsible for the laying hens placed on our accelerator farms. In order to supply laying hens to our contracted family farms and accelerator farms, we place orders for chicks directly with hatcheries intended to supply a future year's production of eggs at least a year in

advance. Once the chicks are hatched, they are delivered to a network of pullet farms, who rear the chicks to approximately 16 to 18 weeks of age, at which time they are delivered to our network of family farms to begin laying eggs.

We work with several pullet hatcheries that deliver chicks to a network of independent pullet farms. We do not have long-term supply contracts with these suppliers, and if a substantial portion of our current hatcheries or pullet farms were to cease doing business with us for any reason, we may have a difficult time finding and contracting with alternate hatcheries or pullet farms in sufficient scale to meet our needs, if at all. Pullet farms may also be subject to capacity constraints, and if we are unable to find independent pullet farms with sufficient capacity to receive chicks from our hatcheries, we may be unable to fulfill our customer commitments. We are exploring plans to supply pullets to our accelerator farms. Any disruption in the supply of laying hens for any reason, including agricultural disease such as avian influenza, natural disaster, extreme weather event, fire, power or other utility interruption, work stoppage or other calamity, could have a material adverse effect on our business, financial condition and results of operations if we cannot replace these providers in a timely manner on acceptable terms or at all.

***Consolidation of retail customers or the loss of a significant retail customer could negatively impact our sales and profitability.***

Our retail customers include natural channel and mainstream channel stores, which have been undergoing consolidation in recent years. This consolidation has produced larger, more sophisticated organizations with increased negotiating and buying power that are able to resist price increases, operate with lower inventories, decrease the number of brands that they carry and increase their emphasis on private-label products, all of which could negatively impact our business.

With certain of our retail customers, like Whole Foods, we sell our products through distributors. We are not able to precisely attribute our net revenue to a specific retailer for products sold through distributors. We rely on third-party data to calculate the portion of retail sales attributable to retailers, but this data is inherently imprecise because it is based on gross sales generated by our products sold at retailers, without accounting for price concessions, promotional activities or chargebacks in the ordinary course of business, and because it measures retail sales for only the portion of our retailers serviced through distributors. Based on this third-party data and internal analysis, Whole Foods accounted for approximately 23%, 23% and 20% of our retail sales for the fiscal years ended 2023, 2024 and 2025, respectively. Kroger accounted for approximately 11%, 12% and 11% of our retail sales for the fiscal years ended 2023, 2024 and 2025, respectively. The loss of Whole Foods, Kroger or any other large retail customer, or the reduction of purchasing levels or the cancellation of any business from any such customer for an extended length of time, could negatively impact our sales and profitability.

A retailer may take actions that affect us for reasons that we cannot always anticipate or control, such as their financial condition, changes in their business strategy or operations, the introduction of competing products or the perceived quality of our products. Despite operating in different channel segments, our retail customers sometimes compete for the same consumers. Because of actual or perceived conflicts resulting from this competition, retailers may take actions that negatively affect us. Consequently, our financial results may fluctuate significantly from period to period based on the actions of one or more significant retailers.

***Elevated interest rates could adversely affect our business and the ability of our family farmers to access capital.***

Our business and operating results could be harmed by factors such as the availability of credit and the terms of and increases in interest rates. These changes could cause our cost of doing business to increase and limit our ability to pursue growth opportunities. Disruptions and volatility in the global financial markets may lead to a contraction in credit availability, impacting our ability to finance our operations. A significant reduction in cash flows from operations or reduction in the availability of credit could materially and adversely affect our ability to achieve planned growth and operating results.

Elevated interest rates may also adversely impact the ability of our family farmers to access capital. We require our contracted egg farmers to build and equip their farms to certain specifications, which requires a significant upfront capital investment, and the inability of farmers to obtain adequate financing on acceptable terms for any reason, including as a result of elevated interest rates, would impair their ability to partner with us. If our ability to contract with family farmers is significantly disrupted because of farmers' inability to obtain adequate financing, we may not be able to fully meet customer and consumer demand, which would negatively impact our operating results.

***We source substantially all of our shell egg cartons from a sole source supplier, and any disruptions may impact our ability to sell our eggs.***

We obtain substantially all of the packaging for our shell eggs from a sole source supplier. Any disruption in the supply of our shell egg cartons, including due to interruptions to global shipping, could delay our production and hinder our ability to meet our commitments to customers. Certain components of this packaging are imported from international markets, and any import duties,

tariffs or restrictions on international trade could affect its cost or availability. If we are unable to obtain a sufficient quantity of our packaging on commercially reasonable terms or in a timely manner, or if we are unable to obtain alternative sources, sales of our products could be delayed or we may be required to redesign our products. For example, in connection with increased demand for shell eggs in 2020 in relation to the COVID-19 pandemic, the supplier of substantially all of our shell egg cartons began to prioritize packaging for core egg products (such as 12-count packages), and we separately experienced certain quality issues with our 18-count egg cartons. As a result of these events, and in order to otherwise meet demand for our products, we began using recycled plastic packaging for certain of our shell egg products. While this change in packaging did not materially impact our operations, there is no guarantee that we will not experience similar packaging issues in the future, or that any such packaging issues will not impact our ability to meet product demand for our shell eggs. For example, consumers may be less likely to accept products packaged using certain materials, or modified packaging may make it more difficult for consumers to locate our products in stores. Any of these events could result in lost sales, price increases, reduced gross margins or damage to our customer or consumer relationships, which would have a material adverse effect on our business, financial condition and results of operations.

***Our brand and reputation may be diminished due to real or perceived quality or food safety issues with our products, which could have an adverse effect on our business, reputation, operating results and financial condition.***

We believe our consumers rely on us to provide them with high-quality products. Therefore, real or perceived quality or food safety concerns or failure to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us (such as incidents involving our competitors), could cause negative publicity and reduced confidence in our company, brand or products, which could in turn harm our reputation and sales, and could adversely affect our business, financial condition and operating results.

Our products may be subject to contamination by foreign materials or disease-producing organisms or pathogens, such as salmonella and E. coli. These organisms and pathogens are found generally in the environment and there is a risk that one or more could be present in our products, either as a result of food processing or as an inherent risk based on the nature of our products. These organisms and pathogens also can be introduced to our products as a result of improper handling at the further-processing, foodservice or consumer level. These risks may be controlled, but may not be eliminated, by adherence to current good manufacturing practices, or cGMPs, and finished product testing. Shipment of contaminated products, even if inadvertent, could result in a violation of law and lead to increased risk of exposure to product liability claims, product recalls, increased scrutiny by federal and state regulatory agencies, penalties and adverse publicity. In addition, products purchased from other producers, including co-manufacturers, could contain contaminants that we might inadvertently redistribute.

If our products become contaminated, or if there is a potential health risk associated with our products, we or our co-manufacturers might decide or need to recall a product. Any product recall could result in a loss of consumer confidence in our products and adversely affect our reputation with existing and potential customers. For example, in December 2019, our co-manufacturer for hard-boiled eggs conducted a voluntary Class I recall of all hard-boiled eggs produced at its facility, including ours, due to potential listeria contamination at the production facility. In connection with the recall, our co-manufacturer elected to permanently close the affected production facility and move all production to a different facility. As a result, we were unable to supply customers with hard-boiled eggs for a period of time in the first quarter of fiscal 2020, which led to the loss of certain customer accounts for this product, the revenues from which were immaterial in the aggregate.

We also have no control over our products once purchased by consumers. For example, consumers may store our products under conditions and for periods of time inconsistent with USDA, U.S. Food and Drug Administration, or FDA, and other governmental guidelines, which may adversely affect the quality and safety of our products.

If consumers do not perceive our products to be of high quality or safe, then the value of our brand would be diminished, and our business, results of operations and financial condition would be adversely affected. Any loss of confidence on the part of consumers in the quality and safety of our products would be difficult and costly to overcome. Any such adverse effect could be exacerbated by our market positioning as a socially conscious purveyor of high-quality products and may significantly reduce our brand value. Issues regarding the quality, health or safety of any of our products, regardless of the cause, may have an adverse effect on our brand, reputation and operating results. The use of social and digital media by us, our consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared, and we have at times been the subject of negative social media campaigns employing misinformation or disinformation about our products and standards. Many social media platforms immediately publish the content their users post, often without filters or checks on the accuracy of the content. Adverse or inaccurate information concerning us may be posted on such platforms at any time, and such posts can be amplified quickly, potentially harming

our reputation, performance, prospects or business. If we do not maintain a favorable perception of our brand, our business, financial condition and results of operations could be adversely affected.

***If we fail to develop and maintain our brand, our business could suffer.***

We have developed a strong and trusted brand that has contributed significantly to the success of our business, and we believe our continued success depends on our ability to maintain and grow the value of the Vital Farms brand. Maintaining, promoting and positioning our brand and reputation will depend on, among other factors, the success of our product offerings, food safety, quality assurance, marketing and merchandising efforts, our continued focus on animal welfare, the environment and sustainability and our ability to provide a consistent, high-quality consumer and customer experience. Any negative publicity, regardless of its accuracy, could have an adverse effect on our business. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of our consumers, customers, farmers, suppliers or co-manufacturers, including changes to our products or packaging, adverse publicity, negative social media campaigns or a governmental investigation, litigation or regulatory enforcement action, could significantly reduce the value of our brand and significantly damage our business.

***If we fail to cost-effectively attract new consumers and customers or retain our existing consumers and customer relationships, our business could be adversely affected.***

Our success and our ability to increase revenue and operate profitably depend in part on our ability to cost-effectively attract new consumers, retain existing consumers and keep existing consumers engaged so that they continue to purchase our products. While we intend to continue to invest significantly in sales and marketing to educate consumers about our brand, our values and our products, there is no assurance that these efforts will generate further demand for our products or expand our consumer base.

Our ability to attract new consumers and retain our existing consumers depends on the perceived value and quality of our products, consumers' desire to purchase ethically produced products at a premium, offerings of our competitors, our ability to offer new and relevant products and the effectiveness of our marketing efforts, among other items. For example, because our shell eggs are sold to consumers at a premium price point, when prices for commodity shell eggs fall relative to the price of our shell eggs, we may be unable to entice price-sensitive consumers to try our products. We may also lose loyal consumers to our competitors if we are unable to meet consumer demand in a timely manner, including as a result of supply constraints or heightened consumer demand. If we are unable to cost-effectively attract new consumers, retain existing consumers and keep existing consumers engaged, our business, financial condition and operating results could be adversely affected.

The continued growth of our business depends on our ability to increase our household penetration, to expand the number of products sold through existing retail customers and to strengthen our product offerings through innovation in both new and existing categories. Any growth in distribution channels may also affect our existing customer relationships and present additional challenges, including related to pricing strategies and other trade activities. Any failure to attract new customers, or expand our business with existing customers, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***If we fail to retain and motivate members of our management team or other key crew members or fail to attract, train, develop and retain additional qualified crew members to support our operations, our business and future growth prospects may be harmed.***

Our success and future growth depend largely upon the continued services of our executive officers as well as our other key crew members. These executives and key crew members are primarily responsible for determining the strategic direction of our business and for executing our growth strategy and are integral to our brand, culture and the reputation we enjoy with farmers, suppliers, co-manufacturers, distributors, customers and consumers.

From time to time, there may be changes in our senior leadership team or other key crew members resulting from the hiring or departure of these personnel. The loss of one or more of our executive officers, the failure by our senior leadership team to effectively work with our crew members and lead our company or our failure to establish appropriate succession plans for our executive officers and other key crew members could harm our business.

In addition, our success depends in part upon our ability to attract, train, develop and retain a sufficient number of crew members who understand and appreciate our culture and can represent our brand effectively and establish credibility with our business partners and consumers. If we are unable to win in a competitive market for top talent capable of meeting our business needs and expectations, our business and brand image may be impaired. For example, our planned Vital Crossroads facility in Seymour, Indiana will require the recruitment, training and retention of a significant number of new crew members, and, due to market conditions or otherwise, we may be unable to attract and retain crew members for this facility with the skills we require. Additionally, substantially all of our crew members outside of our Egg Central Station facility are working remotely on a permanent basis. Although we believe

we manage our operations to handle remote working conditions efficiently, it is possible that such remote work arrangements could adversely impact crew member cohesiveness, efficiency, professional development, operational agility and retention. Any failure to meet our staffing needs or any material increase in turnover rates of our crew members may adversely affect our business, financial condition and results of operations.

***If we cannot maintain our company culture or focus on our purpose as we grow, our business and competitive position may be harmed.***

We believe our culture and our purpose have been key contributors to our success to date and that the critical nature of the platform that we provide promotes a sense of greater purpose and fulfillment in our crew members. Any failure to preserve our culture or focus on our purpose could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we continue to grow and develop the infrastructure of a public company and expand our workforce into new markets (including in connection with our planned Vital Crossroads facility), we may find it difficult to maintain these important values. We may also have difficulty maintaining our company culture as substantially all of our crew members outside of our Egg Central Station facility are working remotely on a permanent basis. If we fail to maintain our company culture or focus on our purpose, our business and competitive position may be harmed.

***Our operations are geographically consolidated. A major tornado or other natural disaster or extreme weather event within the regions in which we operate could seriously disrupt our entire business.***

Our Egg Central Station shell egg processing facility is located in Springfield, Missouri, and our contracted cold storage facilities are located in close proximity to Egg Central Station. These facilities, together with our network of contracted family farms and accelerator farms supporting our shell egg business and our planned Vital Crossroads facility in Indiana, are concentrated in the midwestern portion of the Pasture Belt. The majority of the cream for our butter is sourced from farms in Ireland. The impact of natural disasters such as tornadoes, drought or flood or extreme weather events such as severe storms, increased precipitation, heat waves or other weather-related obstacles within these areas is difficult to predict, particularly given the potential of climate change to increase the frequency and intensity of such natural disasters and extreme weather events. A natural disaster or extreme weather event could impair our ability to deliver our products in a timely manner, meet our contractual obligations or otherwise disrupt our business. For example, in early 2025 a snowstorm impacted the ability of our Egg Central Station crew to commute to work safely. As a result, we were not able to run our production lines at maximum capacity for a period of time. Our insurance may not adequately cover our losses and expenses in the event of a natural disaster. As a result, natural disasters within these areas could lead to substantial losses.

***Packaging costs are volatile, have recently increased and may continue to increase, which may negatively impact our profitability, and reduced availability of packaging supplies may otherwise impact our business.***

Costs of packaging are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand and changes in governmental trade. We have seen higher packaging costs in prior fiscal periods, which continued into fiscal 2025. Volatility in the prices of supplies we and our co-manufacturers purchase could increase our cost of sales and reduce our profitability. Moreover, although we have not seen significant decreases in volume due to previous price increases, we may not be able to implement further price increases for our products to cover any increased costs, and any price increases we do implement may result in lower consumer demand, decreased ability to attract new customers and lower sales volumes.

Additionally, if the availability of certain packaging supplies is limited due to factors beyond our control, or if packaging supplies do not meet our standards, we may make changes to our product packaging, which could negatively impact the perception of our brand. If we are not successful in managing our packaging costs or the supply of packaging that meets our standards to use for our products, if we are unable to increase our prices to cover increased costs or if such price increases reduce our sales volumes, any of these factors could adversely affect our business, financial condition, and results of operations.

***Our net revenue and earnings may fluctuate as a result of price actions, promotional activities and chargebacks.***

Retailers may require price concessions in the ordinary course of business that would negatively impact our margins and our profitability. Alternatively, we may increase our prices to offset commodity inflation and potentially impact our margins and volume. In addition, we periodically offer sales incentives through various programs to customers and consumers, including customer rebates, temporary price reductions, off-invoice discounts, retailer advertisements, product coupons and other trade activities.

Additionally, while we continue to work to optimize supply chain logistics, we are occasionally charged fees and/or fines by retailers for various delivery and order discrepancies. While we challenge and vet these charges, we may be subject to such charges that could be detrimental to our performance, particularly when combined with the effects of increased freight costs or the other risks outlined in this section. The cost associated with promotions and chargebacks is estimated and recorded as a reduction in net revenue. These price concessions, promotional activities and chargebacks could adversely impact our net revenue and changes in such activities could adversely impact period-over-period results. If we are not correct in predicting the performance of promotions, or if we are not correct in estimating chargebacks, our business, financial condition and results of operations would be adversely affected.

***We rely on independent certification for a number of our products.***

We obtain independent third-party certifications for certain of our products, including Certified Humane certification for our shell eggs, USDA organic certification for our organic shell eggs and certification from Regenified for our Restorative egg product. We must comply with the requirements of independent organizations or certification authorities in order to maintain these certifications. The loss of any independent certifications (due to actions or omissions by us, our suppliers or a third-party certifier) could adversely affect our brand reputation and market position, which could harm our business. Additionally, if any of our third-party certifiers are subject to compliance or legal issues or negative publicity, our reputation and business could be harmed by our association with such entity.

***Our inability to maintain our GFSI and SQF Select Site certifications may negatively affect our reputation.***

The Safe Quality Food Institute administers the SQF Program, which is a third-party auditing program that examines and certifies food producers with respect to certain aspects of the producer's business, including food safety, quality control and social, environmental and occupational health and safety management systems. The SQF Select Site certification is one of a number of available SQF certifications and involves both auditing for food safety issues and unannounced inspections by SQF personnel on an annual basis.

The Global Food Safety Initiative, or GFSI, is a private organization established and managed by The Consumer Goods Forum, an international trade association. GFSI operates a benchmarking scheme whereby certification bodies, such as the SQF Program, are "recognized" as meeting certain criteria maintained by GFSI. GFSI itself does not certify or accredit entities in the food industry.

SQF Select Site certification and the GFSI recognition of the SQF Program do not themselves have any independent legal significance and do not necessarily signal regulatory compliance. As a practice matter, however, certain retailers, including some of our largest customers, require SQF certification or certification by another GFSI-recognized program as a condition for doing business. Loss of SQF Select Site certification could impair our ability to do business with these customers, which could materially and adversely affect our business, financial condition and operating results.

**Risks Related to Socioeconomic, Political and Environmental Factors**

***Disruptions in the worldwide economy may adversely affect our business, results of operations and financial condition.***

Adverse and uncertain economic conditions, including uncertainty related to inflation, tariff regimes, market volatility, outbreaks of contagious disease or pandemics, domestic or geopolitical tensions and wars, or disruption in global financial and credit markets may impact distributor, retailer, foodservice and consumer demand for our products. In addition, our ability to manage normal commercial relationships with our farmers, suppliers, co-manufacturers, distributors, retailers, foodservice consumers, service providers and creditors may suffer. Consumers may shift purchases to lower-priced or other perceived value offerings, including private-label products, during economic downturns, and an economic downturn may cause customers to be less receptive to price increases on our products.

Adverse economic conditions may also affect our farmers. For example, inflationary pressures and elevated interest rates have resulted in increased costs for our farmers to build, equip and operate their farms. If our relationship with our existing farmers, or our ability to attract new farmers, is disrupted due to economic conditions or otherwise, our operating results may be adversely affected. Further, our foodservice product sales will be reduced if consumers reduce the amount of food they consume away from home at our foodservice customers, including as a result of inflationary concerns or other economic uncertainties. Distributors and customers may become more conservative in response to these conditions and seek to reduce their inventories. Our results of operations depend upon, among other things, our ability to maintain and increase sales volume with our existing distributors, retail and foodservice customers, our ability to attract new consumers, the financial condition of our consumers and our ability to provide products that appeal to consumers at the right price. Prolonged unfavorable economic conditions may have an adverse effect on our sales and profitability.

In addition, historically, our deposit accounts have held deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation, or FDIC. In the event of a bank failure at any of the institutions where we maintain deposits, there can be no assurance that regulators will agree to guarantee such deposits above and beyond amounts insured by the FDIC.

***Disruptions in international trade, including disruptions due to global health pandemics, third-party labor disputes or geopolitical tensions, may have a material adverse impact on us, our suppliers and our network of farms, including our ability to expand our operations as planned.***

Global health pandemics, labor disputes or work stoppages, and other geopolitical tensions have at times disrupted international trade, resulting in increased shipping costs and delays in the import and export of goods to and from the United States and other countries. Specifically, increased demand for international shipping has resulted in shortages of shipping containers and delays at international ports. Currently, we import butter from a supplier in Ireland, and as a result, we may experience increased costs or shipment delays due to disruptions in the international trade markets and increased exposure to potential import restrictions, increased duties or tariffs or other factors described below. Additionally, we, our suppliers and our network of family farms are dependent on equipment and other supplies imported from Europe and other locations, including equipment and other supplies used in connection with the development of our planned egg washing and packing facility with onsite cold storage in Indiana. To the extent that import restrictions, duties, tariffs, and the uncertainty around such tariffs, or other disruptions to global shipping negatively impact our, our suppliers' or our network of family farms' ability to access necessary goods, we may not be able to expand our operations as planned, and our business, financial condition and results of operations would be materially and adversely affected.

We and certain of our vendors use overseas sourcing to varying degrees to produce certain of the products we sell. Any event causing a sudden disruption of manufacturing or imports from such foreign countries, including changes in the United States' foreign trade policies resulting in the imposition of additional import restrictions, withdrawal from or material modifications to, international trade agreements, unanticipated political changes, increased customs duties or tariffs, labor disputes, health epidemics, adverse weather conditions, crop failure, acts of war or terrorism, legal or economic restrictions on overseas suppliers' ability to produce and deliver products and natural disasters, could increase our costs and materially harm our business, financial condition and results of operations. Our business is also subject to a variety of other risks generally associated with indirectly sourcing goods from abroad, such as political instability, disruption of imports by labor disputes, currency fluctuations and local business practices. In addition, requirements imposed by the FDA compel importers to verify that food products and ingredients produced by a foreign supplier comply with all applicable legal and regulatory requirements enforced by the FDA, which could result in certain products being deemed ineligible for import. In addition, the U.S. Department of Homeland Security may at times prevent the importation or customs clearance of certain products and ingredients for reasons unrelated to food safety.

***International trade policies, including tariffs, sanctions and trade barriers, and ongoing changes and uncertainty in the tariff regime, may adversely affect our business, financial condition, results of operations and prospects.***

Recent judicial and executive actions relating to tariffs imposed by the U.S. government have created a dynamic and unpredictable trade landscape, which may adversely impact our business. Certain of our products and elements of our supply chain, including our butter products and certain processing equipment and packaging, are imported from international markets, and we saw increased expenses associated with these products and supply chain elements as a result of new tariffs implemented in fiscal 2025.

Current or future tariffs or other restrictive trade measures may further raise the costs of raw materials, components or our products, which may adversely impact both our product offerings and our operational expenses. Such cost increases may reduce our margins and require us to increase prices, which could harm our competitive position, reduce customer demand and damage customer relationships. Our suppliers and distribution channels are also affected by the current trade environment, and we may experience supply chain disruptions or risks to key vendors as a result of increased costs and uncertainty, which may impact our ability to meet customer demand or efficiently manage inventory. Tariffs and other trade-related cost pressures and supply chain disruptions may lead to reputational harm if we are unable to deliver products on expected timelines. In addition, many of our distributors and customers operate businesses that may be impacted by trade policies, which may result in decreased demand for our products or extended sales cycles as customers assess the impact of evolving trade policies on their operations and face increased costs or decreased revenue due to such policies.

In February 2026, the Supreme Court of the United States, or SCOTUS, invalidated certain tariffs imposed by the U.S. government under emergency statutory authority in 2025. Shortly thereafter, the President signed an executive order implementing a new 10% global tariff pursuant to an alternative statutory authority, which may be raised up to 15%. It remains unclear whether and to what extent duties previously collected under the invalidated tariffs will be refunded, whether refunds will be subject to administrative or judicial processes, or whether offsets or alternative measures may be imposed. This evolving legal and policy landscape has contributed to continued volatility in the trade environment.

While we continue to monitor trade developments, the ultimate impact of these risks remains uncertain and any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially

and adversely affect our business, results of operations, financial condition and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described elsewhere in this report.

***A U.S. federal government shutdown or other limitation or elimination of U.S. government assistance programs could have a material adverse impact on our results of operations and financial condition.***

Federal government shutdowns have at times impacted our ability to receive governmental approvals for products and labeling of new products, our farmers' ability to obtain organic certifications, and FDA inspections of our farms. Additionally, many of our farmers seek federal government loans from the USDA or other forms of government assistance. Any current or future U.S. federal government shutdown, federal staffing reduction or other limitation or elimination of sources of U.S. government assistance could adversely impact our business, which could have a material adverse effect on our results of operations and financial condition.

***Climate change, or legal, regulatory or market efforts to address climate change, may negatively affect our business and operations.***

There is scientific consensus that carbon dioxide and other greenhouse gases emissions have had, and will continue to have, an adverse impact on global temperatures, weather conditions, and the frequency and severity of natural disasters. If climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favorable pricing for certain raw materials that are necessary for our products, including corn, soybean meal and other feed ingredients. We may further be subject to unpredictable water availability due to the impact of climate change, and the lack of available water may adversely affect our business and operations.

Additionally, extreme weather and natural disasters exacerbated by climate change may impact our business. The egg farms in our network are all geographically located in a region that provides an environment conducive to year-round raising of hens. However, if climate change negatively impacts the year-round habitability of this region for hens, we may be subject to decreased availability or less favorable pricing for our eggs. Adverse weather conditions and natural disasters, including those caused or exacerbated by climate change, can adversely impact pasture conditions, leading to reduced yields and quality. For example, elevated summer temperatures in the Pasture Belt have at times contributed to lower-than-normal shell egg yield at certain of our contracted family farms. Adverse weather conditions and natural disasters may also impact the habitability and pasture conditions of the farms where we source the cream for our butter products. Further, we may incur increased transportation, storage and processing costs if we are unable to source products within a certain distance from our processing and co-manufacturing facilities due to the effects of climate change.

Governmental and market concern about climate change and its effects may result in additional legal or regulatory requirements to reduce or mitigate the effects of greenhouse gases or water usage. Such laws or regulations, to the extent applicable to us or our farmers, suppliers, co-manufacturers or service providers, may result in significant increases to our costs of operation, particularly the supply chain and distribution costs associated with our products.

***Failure to adequately respond to stakeholder scrutiny related to environmental, social and governance issues or failure to achieve our stated Impact Goals could adversely impact our reputation and brand.***

Our business faces scrutiny related to environmental, social and governance, or ESG, issues, including sustainable development, product packaging, renewable resources, environmental stewardship, supply chain management, climate change, crew impact, workplace conduct, human rights, philanthropy and support for local communities. We maintain a series of goals, which we refer to as our Impact Goals, related to our impact strategy of building a resilient food system, fostering a people-first culture and driving engaged and accountable oversight. There is no assurance that we will be able to achieve these goals. Failure to achieve our Impact Goals could damage our reputation and brand image, and our business, financial condition and results of operations could be adversely impacted. Furthermore, there exists negative sentiment toward ESG measures among certain individuals and government institutions, and several states have enacted or proposed "anti-ESG" legislation. As we continue to pursue our Impact Goals and related initiatives, we could face a negative reaction from government institutions (such as retaliatory legislative treatment) or consumers (such as boycotts or negative publicity campaigns) that could adversely impact our business.

Implementation of our environmental and sustainability initiatives, including in connection with our Impact Goals, biennial Impact Report and periodic Impact Updates, may require certain financial expenditures and crew member resources, and if we are unable to meet our goals or otherwise fail to meet stakeholder standards or expectations with respect to ESG issues or our Impact Goals, this could have a material adverse effect on our reputation and brand and negatively impact our relationship with our investors, crew members, farmers, suppliers, customers and consumers. There has also been a recent increase in litigation and investor activism surrounding ESG practices and related disclosures. For example, there has been recent focus by regulators, investors and other stakeholders on greenwashing and sustainability-related claims. There can be no assurance that we will not be subject to allegations or claims with respect to ESG issues or our Impact Goals.

## **Risks Related to Legal and Government Regulation**

***Food safety and food-borne illness incidents or advertising or product mislabeling may materially and adversely affect our business by exposing us to lawsuits, product recalls or regulatory enforcement actions, increasing our operating costs and reducing demand for our product offerings.***

Selling food for human consumption involves inherent legal and other risks, and there is increasing governmental scrutiny of and public awareness regarding food safety. Illness, injury or death related to allergens, food-borne illnesses, foreign material contamination or other food safety incidents caused by our products, or involving our farmers or other suppliers, could result in the disruption or discontinuance of sales of these products or our relationships with such farmers or suppliers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to our reputation.

Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose us to product liability, negligence or other lawsuits, including consumer class action lawsuits. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is more than our policy limits or not covered by our insurance policies would have to be paid from our cash reserves, which would reduce our capital resources.

The occurrence of food-borne illnesses or other food safety incidents could also adversely affect the price and availability of affected raw materials, resulting in higher costs, disruptions in supply and a reduction in our sales. Furthermore, any instances of food contamination or regulatory noncompliance, whether or not caused by our actions, could compel us to conduct a recall in coordination with our farms or suppliers, our distributors or our customers, depending on the circumstances, in accordance with FDA or USDA regulations and policies or comparable state laws. Food recalls could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time and potential loss of existing distributors or customers and a potential negative impact on our ability to attract new customers due to negative consumer experiences or because of an adverse impact on our brand and reputation. The costs of a recall could be outside the scope of our existing or future insurance policy coverage or limits.

In addition, food companies have been subject to targeted, large-scale tampering as well as to opportunistic, individual product tampering (i.e., international adulteration) and we, like any food company, could be a target for product tampering. Forms of tampering could include the introduction of foreign material, chemical contaminants and pathological organisms into food products, as well as product substitution. Governmental regulations require companies like us to analyze, prepare and implement mitigation strategies specifically to address tampering designed to inflict widespread public health harm. If we do not adequately address the possibility, or any actual instance, of product tampering, we could face possible seizure or recall of our products and the imposition of civil or criminal sanctions, which could adversely affect our business, financial condition and operating results.

***Our operations are subject to FDA and USDA federal regulations, as well as other state and local regulations, and there is no assurance that we will be in compliance with all applicable regulations.***

Our operations are subject to extensive regulation by the FDA, the USDA and other federal, state and local authorities. With respect to eggs in particular, the FDA and the USDA split jurisdiction depending on the type of product involved. While the FDA has primary responsibility for the regulation of shell eggs, the USDA has primary responsibility for the regulation of dried, frozen or liquid eggs and other “egg products,” subject to certain exceptions. Specifically, our shell eggs, butter and hard-boiled egg products are subject to the requirements of the Federal Food, Drug, and Cosmetic Act, as amended, including by the Food Safety Modernization Act of 2011, or FSMA, and regulations promulgated thereunder by the FDA. This comprehensive regulatory program governs, among other things, the manufacturing, composition and ingredients, packaging, labeling and safety of most food products. The FDA requires that facilities that manufacture food products comply with a range of requirements, including but not limited to hazard analysis and preventive controls regulations, cGMPs and supplier verification requirements. Our shell egg operations are further subject to FDA regulatory requirements governing the production, storage and transportation of shell eggs for the control of salmonella enteritidis. FDA-inspected processing facilities are subject to periodic and “for cause” inspection by federal, state and local authorities. We are subject to requirements under FSMA’s foreign supplier verification program and import tariffs, bond and other requirements imposed by U.S. Customs and Border Protection for our butter products, which are imported from Ireland.

In addition, certain of our products, such as our liquid whole egg products, are subject to regulation by the USDA, including facility registration, inspection, manufacturing and labeling requirements. We do not control the manufacturing processes of, and rely upon, our co-manufacturers for compliance with cGMPs and other regulatory requirements for the manufacturing of our products that is conducted by our co-manufacturers. If we or our co-manufacturers cannot successfully manufacture products that conform to our specifications and the strict regulatory requirements of the FDA, the USDA or others, we or they may be subject to adverse inspectional findings or enforcement actions, which could materially impact our ability to market our products, result in our co-manufacturers' inability to continue manufacturing for us, result in a recall of our products that have already been distributed and result in damage to our brand and reputation. We rely upon our co-manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA, the USDA or another regulatory authority determines that we or these co-manufacturers have not complied with the applicable regulatory requirements, our business may be adversely impacted.

Our liquid whole eggs are subject to the requirements of the Egg Products Inspection Act, or EPIA, and regulations promulgated thereunder by the USDA. The USDA has comprehensive regulations in place that apply to establishments that break, dry and process shell eggs into liquid egg products. This regulatory scheme governs the manufacturing, processing, pasteurizations, packaging, labeling and safety of egg products. Under the EPIA and USDA regulations, establishments that manufacture egg products must comply with the USDA's requirements for sanitation, temperature control, pasteurization and labeling. We are also subject to the USDA Egg Products Inspection Rule, which requires our co-manufacturers' liquid whole egg establishment to implement Hazard Analysis and Critical Control Point plans and Sanitary Standard Operating Procedures. We do not control the manufacturing processes of, and rely upon, our co-manufacturers for compliance with USDA regulations for the manufacturing of our liquid whole egg products, which is conducted by our co-manufacturers. If we or our co-manufacturers cannot successfully manufacture products that conform to our specifications and the strict regulatory requirements of the USDA or others, we or they may be subject to adverse inspectional findings or enforcement actions, which could materially impact our ability to market our products, could result in our co-manufacturers' inability to continue manufacturing for us, or could result in a recall of our product that has already been distributed. In addition, we rely upon our co-manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the USDA or a comparable foreign regulatory authority determines that we or these co-manufacturers have not complied with the applicable regulatory requirements, our business may be materially impacted.

Our products that are labeled as "organic" are subject to the requirements of the Organic Foods Production Act, or OFPA, and the USDA's National Organic Program, or NOP, regulations. The OFPA is a comprehensive regulatory scheme that mandates certain practices and prohibits other practices pertaining to the raising of animals and handling and processing of food products. We, and our network of family farms and co-manufacturers, contract with NOP-accredited certifying agents to ensure that our organic products are produced in compliance with the OFPA and NOP regulations. We do not control the farms where our products are raised and rely on the farms for compliance with the on-farm requirements of the OFPA and NOP regulations. Similarly, we do not control the manufacturing processes of, and we rely upon, our co-manufacturers for compliance with requirements of the OFPA and NOP regulations with respect to organic products handled and manufactured by our co-manufacturers. If we, the farms or the co-manufacturers cannot successfully raise and manufacture products that meet the strict regulatory requirements of the OFPA and the NOP, we or they may be subject to adverse inspectional findings or enforcement actions, which could materially impact our ability to market our products as "organic," could result in the farms or co-manufacturers' inability to continue to raise farm products or manufacture food for us, or we, the farms, or the co-manufacturer could lose the right to market products as "organic," and subject us, the farms, or co-manufacturers to civil monetary penalties. If the USDA or a comparable foreign regulatory authority determines that we or these co-manufacturers have not complied with the applicable regulatory requirements, our business may be materially impacted.

We are also subject to state and local regulations, including product requirements, labeling requirements and import restrictions. If our products fail to meet such individual state standards or are restricted from being imported into a state by regulatory requirements, our business, financial condition or results of operations could be materially and adversely affected.

We seek to comply with applicable regulations through a combination of employing internal experience and expert personnel to ensure quality assurance compliance (i.e., assuring that our products are not adulterated or misbranded) and contracting with third-party experts and laboratories that conduct analyses of products to ensure compliance with nutrition labeling requirements and to identify any potential contaminants before distribution. Failure by us, the farms or the co-manufacturers to comply with applicable laws and regulations, pay any applicable fees or assessments or maintain permits, licenses or registrations relating to our or our co-manufacturers' operations could subject us to civil remedies or penalties, including fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or manufacturing of products, or refusals to permit the import or export of products, as well as potential criminal sanctions, which could result in increased operating costs resulting in a material effect on our operating results and business. See the section titled "—Government Regulation" in Part I, Item 1, "Business," of this Annual Report for further information on the regulations to which we are subject.

***Changes in existing laws or regulations, or the adoption of new laws or regulations may increase our costs and otherwise adversely affect our business, results of operations and financial condition.***

The manufacture and marketing of food products is highly regulated. We, our farmers, our suppliers and our co-manufacturers are subject to a variety of laws and regulations. These laws and regulations apply to many aspects of our business, including the manufacture, packaging, labeling, distribution, advertising, sale, quality and safety of our products, as well as the health and safety of our crew members and the protection of the environment.

In the United States, we are subject to regulation by various government agencies, including the FDA, the USDA, the Federal Trade Commission, or FTC, the Occupational Safety and Health Administration, and the Environmental Protection Agency, as well as various state and local agencies. We are also regulated outside the United States by various international regulatory bodies. In addition, we are subject to certain standards, such as GFSI standards and review by voluntary organizations, such as the Council of Better Business Bureaus' National Advertising Division. We could incur costs, including fines, penalties, assessments and third-party claims, because of any violations of, or liabilities under, such requirements, including any competitor or consumer challenges relating to compliance with such requirements. For example, in connection with the marketing and advertisement of our products, we could be the target of claims relating to false or deceptive advertising, including under the auspices of the FTC and the consumer protection statutes of some states.

The regulatory environment in which we operate could change significantly and adversely in the future. Any change in manufacturing, labeling or packaging requirements for our products may lead to an increase in costs or interruptions in production, either of which could adversely affect our operations and financial condition. Changes in marketing or labeling requirements, or changes to the standards or practices we employ related to our products, could require us to revise or discontinue making certain claims or utilizing certain branding elements, which may make our products less appealing to consumers. New or revised government laws and regulations could result in additional compliance costs and, in the event of non-compliance, civil remedies, including fines, injunctions, withdrawals, recalls or seizures and confiscations, as well as potential criminal sanctions, any of which may adversely affect our business, financial condition and results of operations.

***Failure by us, our network of small farms, suppliers of raw materials or co-manufacturers to comply with food safety, environmental or other laws and regulations, or with the specifications and requirements of our products, may disrupt our supply of products and adversely affect our business.***

If we or any member of our network of small farms, suppliers or co-manufacturers fail to comply with food safety, environmental, health and safety or other laws and regulations, or face allegations of non-compliance, their operations may be disrupted and our reputation could be harmed. Additionally, our farmers and co-manufacturers are required to maintain the quality of our products and to comply with our standards and specifications. In the event of actual or alleged non-compliance, we might be forced to find alternative farms, suppliers or co-manufacturers and we may be subject to lawsuits and/or regulatory enforcement actions related to such non-compliance by the farmers, suppliers and co-manufacturers. As a result, our supply of eggs and other raw materials or finished inventory could be disrupted or our costs could increase, which would adversely affect our business, results of operations and financial condition. The failure of any farmer, supplier or co-manufacturer to produce products that conform to our standards could adversely affect our reputation in the marketplace and result in product recalls, product liability claims, government or third-party actions and economic losses. Additionally, actions we may take to mitigate the impact of any disruption or potential disruption in our supply of eggs and other raw materials or finished inventory, including increasing inventory in anticipation of a potential supply or production interruption, may adversely affect our business, financial condition and results of operations.

***We are subject to stringent environmental regulation and potentially subject to environmental litigation, proceedings and investigations.***

Our business operations and ownership and past and present operation of real property are subject to stringent federal, state, and local environmental laws and regulations pertaining to the discharge of materials into the environment and natural resources. Violation of these laws and regulations could lead to substantial liabilities, fines, penalties and reputational damage, or to capital expenditures related to pollution control equipment that could have a material adverse effect on our business. We could also experience significant opposition from third parties with respect to our business, including non-governmental organizations, neighborhood groups and municipalities. Additionally, new matters or sites may be identified in the future, including in connection with our planned egg washing and packing facility with onsite cold storage in Indiana, future expansions of our processing capacity or development and operation of accelerator farms, that will require additional environmental investigation, assessment, or expenditures, which could cause additional capital expenditures. Future discovery of contamination of property underlying or in the vicinity of our present or future properties, facilities or waste disposal sites could require us to incur additional expenses, delays to our business and to our proposed construction. The occurrence of any of these events, the implementation of new laws and regulations, or stricter interpretation of existing laws or regulations could adversely affect our business, financial condition and results of operations.

***Legal claims, government investigations or other regulatory enforcement actions could subject us to civil and criminal penalties.***

We operate in a highly regulated environment with constantly evolving legal and regulatory frameworks. Consequently, we are subject to a heightened risk of legal claims, government investigations or other regulatory enforcement actions. Although we have implemented policies and procedures designed to ensure compliance with existing laws and regulations, there can be no assurance that our crew members, consultants, independent contractors, farmers, suppliers, vendors, co-manufacturers or distributors will not violate our policies and procedures. Moreover, a failure to maintain effective control processes could lead to violations, unintentional or otherwise, of laws and regulations. Legal claims, government investigations or regulatory enforcement actions arising out of our failure or alleged failure to comply with applicable laws and regulations could subject us to civil and criminal penalties that could materially and adversely affect our product sales, reputation, financial condition and operating results. In addition, the costs and other effects of defending potential and pending litigation and administrative actions against us may be difficult to determine and could adversely affect our financial condition and operating results.

***Litigation or legal proceedings could expose us to significant liabilities and have a negative impact on our reputation or business.***

We are not currently party to any material litigation. However, from time to time, we may be party to various claims and legal proceedings. We evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from any assessments and estimates we may make.

Even when not merited, the defense of claims and litigation proceedings may divert our management's attention, and we may incur significant expenses in defending these lawsuits. The results of litigation and other legal proceedings are inherently uncertain, and adverse judgments or settlements in any of these legal disputes may result in adverse monetary damages, penalties or injunctive relief against us, which could have a material adverse effect on our financial position, cash flows or results of operations. Any claims or legal proceedings, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future.

Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions and caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery.

***We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our, or such third parties' actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions, litigation (including class claims) and mass arbitration demands, fines and penalties, disruptions of our business operations, reputational harm, loss of revenue or profits and other adverse consequences.***

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit and share, which we collectively refer to as "process," personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third-party data, business plans, transactions and financial information, which we collectively refer to as "sensitive data."

Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements and other obligations relating to data privacy and security. In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including state data, breach notification laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act) and other similar laws (e.g., wiretapping laws). Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. For example, some of our data processing practices have been, and may in the future continue to be, subject to challenges or lawsuits under data privacy and communication laws, including, for example, challenges based on wiretapping laws for obtaining consumer information from third parties through various methods, including chatbot and session replay providers, or via third-party marketing pixels, as has occurred. These practices may continue to be subject to increased challenges by class action plaintiffs. Our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands.

Furthermore, numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. For example, the California Consumer Privacy Act of 2018, or CCPA, applies to personal data of consumers, business

representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines for intentional violations and allows private litigants affected by certain data breaches to recover significant statutory damages. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future.

Our compliance with these legal requirements and obligations, together with any policies or practices that we have or may implement to further secure and protect sensitive data, could limit our ability to utilize data that may be valuable to our business.

Certain of our employees and personnel use generative artificial intelligence, or AI and/or automated decision-making, or ADM, technologies to perform their work, and the disclosure and use of personal data in AI technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws and regulations regulating AI and/or ADM technologies. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use AI and/or ADM technologies, it could make our business less efficient and result in competitive disadvantages.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our crew members or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections and similar actions), litigation (including class-action claims) and mass arbitration demands, additional reporting requirements and/or oversight, bans on processing personal data and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for significant statutory damages depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to loss of customers, inability to process personal data or to operate in certain jurisdictions, limited ability to develop or commercialize our products, expenditure of time and resources to defend any claim or inquiry, adverse publicity or substantial changes to our business model or operations.

### **Risks Related to Our Status as a Certified B Corporation and Public Benefit Corporation**

*Our status as a public benefit corporation and a Certified B Corporation may not result in the benefits that we anticipate, and we may be unable to maintain our Certified B Corporation status.*

We have elected to be incorporated as a public benefit corporation under Delaware law. As a public benefit corporation, we are required to balance the financial interests of our stockholders with the best interests of those stakeholders materially affected by our conduct, including particularly those affected by the specific benefit purposes set forth in our amended and restated certificate of incorporation. There is no assurance that the expected positive impact from being a public benefit corporation will be realized and our status as a public benefit corporation and compliance with our related obligations could negatively impact our ability to provide the highest possible return to our stockholders.

As a public benefit corporation, we are required to provide a report to our stockholders at least biennially on our overall public benefit performance and on our assessment of our success in achieving our specific public benefit purpose, which we chose to publicly disclose. If we are not timely or are unable to provide this report, or if the report is not viewed favorably by parties doing business with us or regulators or others reviewing our credentials, our reputation and status as a public benefit corporation may be harmed.

While not required by Delaware law or the terms of our certificate of incorporation, we have elected to have our social and environmental performance, accountability and transparency assessed against the proprietary criteria established by B Lab, an independent non-profit organization. As a result of this assessment, we have been designated as a “Certified B Corporation,” which refers to companies that are certified as meeting certain levels of social and environmental performance, accountability and transparency. The standards for B Corporation certification are set by B Lab and may change over time. Our continued certification is at the sole discretion of B Lab. To maintain our certification, we are required to update our assessment with B Lab every three years. We were most recently recertified as a Certified B Corporation in March 2025. Our reputation could be harmed if we lose our status as a Certified B Corporation, whether by our choice or by our failure to continue to meet the certification requirements, particularly if that failure or change were to create a perception that we are more focused on financial performance and are no longer as committed to the values shared by Certified B Corporations. Conversely, our status as a public benefit corporation or Certified B Corporation could result in negative scrutiny from government institutions, consumers, stockholders or others critical of our stakeholder focus.

***As a public benefit corporation, our directors' fiduciary duty to balance a variety of interests may result in actions that do not maximize stockholder value.***

As a public benefit corporation, our Board of Directors has a duty to balance (i) the pecuniary interest of our stockholders, (ii) the best interests of those materially affected by our conduct and (iii) the specific public benefits identified in our amended and restated certificate of incorporation. While we believe our public benefit designation and associated obligations will benefit our stockholders, in balancing these interests our Board of Directors may take actions that do not maximize stockholder value. Any benefits to stockholders resulting from our public benefit purposes may not materialize within the timeframe we expect or at all and may have negative effects. For example:

- we may choose to revise our policies in ways that we believe will be beneficial to stakeholders other than our stockholders, including farmers, suppliers, crew members and local communities, even though the changes may be costly;
- we may take actions, such as building state-of-the-art facilities with technology and quality control mechanisms that exceed the requirements of USDA and the FDA, even though these actions may be more costly than other alternatives;
- we may be influenced to pursue programs and services to demonstrate our commitment to the communities to which we serve and bringing ethical food to the table, even though there may be no immediate return to our stockholders; or
- in responding to a possible proposal to acquire the company, our Board of Directors may be influenced by the interests of stakeholders other than our stockholders, including farmers, suppliers, crew members and local communities, whose interests may be different from the interests of our stockholders.

We may be unable to fully realize the benefits we expect from actions taken to benefit our stakeholders, including farmers, suppliers, crew members and local communities, which could adversely affect our business, financial condition and results of operations, which in turn could cause our stock price to decline.

***As a public benefit corporation, we may be subject to increased derivative litigation concerning our duty to balance stockholder and public benefit interests, the occurrence of which may have an adverse impact on our financial condition and results of operations.***

As a Delaware public benefit corporation, our stockholders (if they, individually or collectively, own the lesser of at least 2% of our outstanding capital stock or shares having at least \$2 million in market value as of the date the action is instituted) are entitled to file a derivative lawsuit claiming that our directors failed to balance stockholder and public benefit interests. This potential liability does not exist for traditional corporations. Therefore, we may be subject to the possibility of increased derivative litigation, which would require the attention of management and, as a result, may adversely impact management's ability to effectively execute our strategy. Any such derivative litigation may be costly and have an adverse impact on our financial condition and results of operations.

## **Risks Related to Cybersecurity, Information Technology and Intellectual Property**

***If our data or information technology systems, or the data or information technology systems of third parties with whom we work, are or were compromised, or if we encounter problems with the design, integration or implementation of information technology systems, we could experience adverse consequences, including but not limited to regulatory investigations or actions, litigation, fines and penalties, disruption of our business operations, reputational harm and loss of revenue or profits.***

In the ordinary course of our business, we and the third parties with whom we work process sensitive data, and, as a result, we and the third parties with whom we work face a variety of evolving threats that could cause security incidents. We also use mobile devices, social networking and other online activities and third parties to connect with our crew members, farmers, suppliers, co-manufacturers, distributors, customers and consumers. Cyber-attacks, malicious internet-based activity, online and offline fraud, physical threats or vandalism, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive data and information technology systems, and those of the third parties with whom we work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including, but not limited to traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states and nation-state-supported actors. Further, as we pursue new initiatives that improve our operations and cost structure, we have, and will continue to, expand and improve our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties with whom we work may be vulnerable to a heightened risk of these attacks, including retaliatory

cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our services.

We and the third parties with whom we work are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by AI, physical threats or vandalism, telecommunications failures, earthquakes, fires, floods and other similar threats.

In particular, severe ransomware attacks are becoming increasingly prevalent and could lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

It may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

In addition, our reliance on third-party service providers presents new cybersecurity risks and vulnerabilities, including supply chain attacks and other threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems to process sensitive data in a variety of contexts. We also rely on third-party service providers to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If the third parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if third parties with whom we work fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised. For example, in June 2025, one of our distributors experienced a cybersecurity incident that resulted in temporary disruptions to logistics and order fulfillment services for a period of approximately two weeks. While the incident did not have a material adverse impact on our operations or financial results, future cybersecurity incidents or interruptions affecting our third-party service providers or other elements of our supply chain may have a more adverse effect on our business, financial condition or results of operations.

We recently completed a multi-year transition to a new cloud-based enterprise resource planning, or ERP, system to support our future growth and more fully optimize our existing processes. The ERP system implementation required, and is likely to continue to require, investment of significant financial resources and the time and attention of our management and key crew members. It is possible that the system will not yield the benefits we anticipate and could result in disruptions, delays or deficiencies in the processes it supports. For example, in the fourth quarter of fiscal 2025, we experienced temporary disruptions in order and fulfillment levels following the launch date of the new ERP system. Any disruptions, delays or deficiencies related to the new ERP system or the implementation thereof, or the design, integration or implementation of other technology systems we may choose to implement in the future, could materially impact our operations and adversely affect our ability to process orders, manage our inventory, fulfill obligations to customers or otherwise operate our business.

While we have implemented security measures designed to protect against and respond to cybersecurity incidents, there can be no assurance that these incident response measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third parties with whom we work). We may have not and may not in the future, however, detect and remediate all such vulnerabilities including on a timely basis.

Further, we have and may in the future experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident.

The theft, destruction, loss, misappropriation or release of sensitive information or intellectual property, or interference with our information technology systems or the technology systems of third parties with whom we work, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers and distributors, potential liability and competitive disadvantage all of which could have an adverse effect on our business, financial condition or results of operations.

Such risks are increased by the fact that substantially all of our crew members outside of our Egg Central Station facility are working remotely on a permanent basis. Technologies and security systems in place at our crew members' homes may be less secure than those used in a physical office, and while we have implemented controls and safeguards to help protect our systems as our crew members work from home, there can be no assurance that these measures will be effective.

Any of the previously identified or similar threats have in the past and may in the future cause a security incident or other interruption that have in the past and may in the future result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive data or our information technology systems, or those of the third parties with whom we work. For example, we have been the target of phishing campaigns in the past and expect such campaigns to continue into the future, with risks associated with such campaigns magnified by their heightened sophistication as AI technologies are increasingly utilized to craft phishing attempts. A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our services.

We may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations have required us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive data.

Applicable data privacy and security obligations may require us to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. Furthermore, given our operations and economic role, regulatory requirements related to critical infrastructure have and may impose additional compliance burdens on us, including, reporting requirements, increased costs, and other obligations.

If we or a third party with whom we work experience a security incident or are perceived to have experienced a security incident, we may experience material adverse consequences, such as: government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); competitive disadvantage; financial loss; and other similar harms. Security incidents and attendant material consequences may prevent or cause customers to stop using our services, deter new customers from using our services, and negatively impact our ability to grow and operate our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Further, use of artificial intelligence platforms by our crew members, whether authorized or unauthorized, may increase the risk that our intellectual property and other proprietary information will be unintentionally disclosed. If we fail to identify and address cybersecurity risks associated with new initiatives, we may become increasingly vulnerable to such risks.

***The loss of any registered trademark or other intellectual property could enable other companies to compete more effectively with us.***

We utilize intellectual property in our business. Our trademarks are valuable assets that reinforce our brand and consumers' favorable perception of our products. We have invested a significant amount of money in establishing and promoting our trademarked brands. We also rely on unpatented proprietary expertise and copyright protection to develop and maintain our competitive position.

Our continued success depends, to a significant degree, upon our ability to protect and preserve our intellectual property, including our trademarks and copyrights.

We rely on confidentiality agreements and trademark and copyright law to protect our intellectual property rights. Our confidentiality agreements with our crew members and certain of our consultants, contract employees, suppliers and independent contractors, including some of our co-manufacturers who use our formulations to manufacture our products, generally require that all information made known to them be kept strictly confidential. Further, some of our formulations have been developed by or with our suppliers and co-manufacturers. As a result, we may not be able to prevent others from using similar formulations.

We cannot be certain that the steps we have taken to protect our intellectual property rights are adequate, that our intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon or misappropriate any such rights. In addition, our trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect our trademark rights could prevent us in the future from challenging third parties who use names and logos similar to our trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of our brand and products. Moreover, intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether we are successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject us to liabilities, force us to cease use of certain trademarks or other intellectual property or force us to enter into licenses with others. Any of these occurrences may have an adverse effect on our business, financial condition and results of operations.

### **Risks Related to Being a Public Company, Ownership of Our Common Stock and Other General Risks**

*If we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately report our financial condition, results of operations or cash flows, which may adversely affect investor confidence in us and, as a result, the value of our common stock.*

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of the Nasdaq Stock Market LLC, or Nasdaq. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place strain on our personnel, systems and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control over financial reporting, disclosure controls and procedures. We are required, under Section 404 of the Sarbanes-Oxley Act, or Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Pursuant to Section 404, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. This assessment must include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis.

As further described in our Annual Report on Form 10-K for the fiscal year ended December 29, 2024 and in Part II, Item 9A, "Controls and Procedures" of this Annual Report, management previously identified a material weakness in our internal control over financial reporting with respect to the 2024 fiscal year, which was remediated effective as of December 28, 2025. We cannot provide assurance that there will not be further material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain or develop effective controls or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting. Ineffective disclosure controls and procedures or internal control over financial reporting could also cause investors to lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

***Our stock price may be volatile, and the value of our common stock may decline.***

The market price of our common stock has at times been highly volatile and may fluctuate or decline substantially in the future as a result of a variety of factors, some of which are beyond our control, including as a result of any stock repurchase program we may implement from time to time, or as a result of any of the items described elsewhere in this “Risk Factors” section.

Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may also negatively impact the market price of our common stock, particularly in light of uncertainties surrounding inflation, geopolitical tensions, disruption in global financial and credit markets, public health pandemics and related impacts.

***Sales of our common stock in the public market could cause the market price of our common stock to decline.***

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our common stock.

In addition, as of December 28, 2025, there were 2,141,066 shares of common stock issuable upon the exercise of outstanding stock options or subject to vesting of outstanding restricted stock awards. We have registered all of the shares of common stock issuable upon exercise of outstanding stock options, vesting of outstanding restricted stock awards or other equity incentives we may grant in the future, for public resale under the Securities Act of 1933, as amended, or the Securities Act. The shares of common stock will become eligible for sale in the public market to the extent such options are exercised or such restricted stock awards vest, subject to compliance with applicable securities laws.

***We cannot guarantee that our stock repurchase program will be fully implemented or that it will enhance long-term stockholder value.***

On February 19, 2026, our Board of Directors authorized and approved a stock repurchase program, which authorized us to periodically repurchase up to \$100 million of our common stock through February 19, 2028. Such plan, or any authorized stock repurchase program we may implement in the future, could increase the volatility of the price of our common stock and diminish our cash reserves, which may impact our ability to finance future growth initiatives and pursue strategic opportunities. In addition, the United States has implemented a 1% non-deductible excise tax on the value of certain stock repurchases by publicly traded companies, which will generally increase the costs to us of any share repurchases. The actual timing, manner, price and total amount of future repurchases will depend on a variety of factors, including business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, restrictions under the terms of loan agreements and other considerations. We cannot guarantee this stock repurchase program will be fully consummated, and an announcement of the termination of the plan may result in a decrease in the trading price of our common stock. Even if the current or future stock repurchase programs are fully implemented, such programs may not enhance long-term stockholder value.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.***

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, and provisions of Delaware law applicable to us as a public benefit corporation, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our Board of Directors to issue, without further action by the stockholders, shares of undesignated preferred stock that may be senior to our common stock with terms, rights and preferences determined by our Board of Directors;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our Board of Directors, the chairperson of our Board of Directors or our Chief Executive Officer;

- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our Board of Directors;
- establish that our Board of Directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of at least 66 2/3% of our outstanding shares of voting stock; and
- provide that vacancies on our Board of Directors may be filled only by a majority of directors then in office, even though less than a quorum.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, or DGCL, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder.

Also, as a public benefit corporation, our Board of Directors is required by the DGCL to manage or direct our business and affairs in a manner that balances the pecuniary interests of our stockholders, the best interests of those materially affected by our conduct, and the specific public benefits identified in our certificate of incorporation. Additionally, pursuant to our amended and restated certificate of incorporation, a vote of at least 66 2/3% of our outstanding shares of voting stock is required for matters directly or indirectly amending or removing our public benefit purpose, or to effect a merger or consolidation involving stock consideration with an entity that is not a public benefit corporation with an identical public benefit to ours. Such provisions could also limit the price that our investors might be willing to pay in the future for shares of our common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that holders of our common stock would receive a premium for your shares of our common stock in an acquisition.

***Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and, with respect to certain matters, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which could restrict our stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the exclusive forum for certain actions or proceedings under Delaware law, statutory or common law, including: any derivative action or proceeding brought on our behalf; any action asserting a breach of a fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; any action as to which the DGCL confers jurisdiction to the court of Chancery of the State of Delaware; or any action asserting a claim against us that is governed by the internal affairs doctrine. The provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These choice of forum provisions 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 or other employees, which may discourage lawsuits against us and our directors, officers and other employees. While Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us and our directors, officers or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect our efforts to defend the validity and enforceability of such provisions may require further significant additional costs associated with resolving the dispute in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions, any of which could seriously harm our business.

## **Item 1B. Unresolved Staff Comments**

Not applicable.

## **Item 1C. Cybersecurity**

### ***Risk Management and Strategy***

We have implemented and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic or competitive in nature, and personal and financial data regarding our crew members and farmers, which we collectively refer to as “Information Systems and Data.”

Our Information Technology department, under the leadership of our Vice President of Information Technology, or VP of IT, and with cross-functional internal and third-party support, helps identify, assess and manage our cybersecurity threats and risks. The Information Technology department identifies and assesses risks from cybersecurity threats by monitoring and evaluating our threat environment and our and our industry’s risk profile using various methods, including, for example, regular threat assessments (including through interaction with law enforcement when necessary), internal and external audits, threat environment scans and third-party threat assessments, vulnerability assessments, external intelligence feeds and third-party-conducted tabletop training exercises.

Depending on the environment and system, we implement and maintain various technical, physical and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including, for example, a written incident response plan and incident response policy, business continuity plans, data encryption for certain data, implementation of certain security standards, network security and access controls, data segregation, asset tracking/disposal systems, penetration testing and required crew member training programs.

Our assessment and management of material risks from cybersecurity threats are integrated into our overall risk management processes. For example, our Information Technology department and third-party providers work with our senior leadership team to prioritize our risk management processes and mitigate cybersecurity threats that are more likely to lead to a material impact to our business. Our senior leadership team evaluates material risks from cybersecurity threats against our overall business objectives and reports to the audit committee of our Board of Directors, or Audit Committee, which evaluates our overall enterprise risk.

We use third-party service providers to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including professional services firms, threat intelligence service providers, penetration testing providers, cybersecurity consultants, forensic investigators, training platforms and managed cybersecurity service providers.

We use third-party service providers to perform a variety of functions throughout our business, such as application providers, hosting services, supply chain resources (including warehousing and cold storage) and contract manufacturing organizations. We have a vendor management program to manage cybersecurity risks associated with our use of certain of these providers. The program includes, for example, internal reviews of vendor security programs and assessments, security assessment calls with vendor personnel and imposition of information security obligations in our vendor contracts. Depending on the nature of the services provided, the sensitivity of the Information Systems and Data at issue and the identity of the provider, our vendor management process may involve different levels of assessment designed to help identify cybersecurity risks associated with a provider and impose contractual obligations related to cybersecurity on the provider.

For a description of the risks from cybersecurity threats that may materially affect our company and how they may do so, see our risk factors listed in Part 1, Item 1A of this Annual Report on Form 10-K, including the section titled “Risks Related to Cybersecurity, Information Technology and Intellectual Property.”

### ***Governance***

Our Board of Directors addresses our cybersecurity risk management as part of its general oversight function. The Audit Committee is responsible under its committee charter for overseeing our company’s cybersecurity risk management processes, including oversight and mitigation of risks from cybersecurity threats and risks related to the use or deployment of artificial intelligence.

Our cybersecurity risk assessment and management processes are implemented and maintained by certain members of our management, including our VP of IT, with the oversight of our Chief Financial Officer. Our VP of IT is responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into our overall risk management strategy and communicating key priorities to relevant personnel. Our VP of IT, in consultation with our Chief Financial Officer, is responsible for

approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes and reviewing security assessments and other security-related reports. Our VP of IT has over 25 years of relevant experience, including leadership roles in the information technology departments of public and private companies. Prior to joining Vital Farms, he served as VP of IT for another public company in the consumer packaged goods industry.

Our cybersecurity incident response plan is designed to escalate certain cybersecurity incidents to members of management depending on the circumstances, including our internal disclosure committee and our senior leadership team. Senior leadership team members work with our company’s incident response team to help Vital Farms mitigate and remediate cybersecurity incidents of which they are notified. In addition, our company’s incident response plan provides for reporting of certain cybersecurity incidents to the Audit Committee.

The Audit Committee receives regular reports throughout the year from our Chief Financial Officer and the VP of IT concerning significant cybersecurity threats and risk and the processes our company has implemented to address them. The Audit Committee’s training includes participation in tabletop training exercises designed to test and evaluate our company’s response to a cybersecurity incident. The Audit Committee also has access to various reports, summaries or presentations related to cybersecurity threats, risk and mitigation.

## Item 2. Properties

Our principal facilities are as follows:

Primary Use	Location	Approximate Area	Owned / Leased	Expiration of Lease
Corporate headquarters office space	Austin, Texas	9,100 sq. ft.	Leased	April 2026 <sup>(1)</sup>
Warehouse space for approximately 21,000 pallets	Springfield, Missouri	171,000 sq. ft.	Leased	December 2036
Egg Central Station egg washing and packing facility	Springfield, Missouri	153,000 sq. ft.	Owned	N/A
Land in development for Vital Crossroads egg washing and packing facility with onsite cold storage	Seymour, Indiana	74.1 acres	Owned	N/A
Farmland for development of accelerator farms	Indiana	1,000 acres	Owned	N/A

(1) We have an option to extend this lease for a period of five years.

We believe that our current facilities are suitable and adequate to meet our current needs and we have begun the development process for our second egg washing and packing facility with onsite cold storage in Seymour, Indiana to meet our anticipated future needs.

## Item 3. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. For additional information regarding legal proceedings, if any, see Note 20 “Commitments and Contingencies — Litigation” to our audited consolidated financial statements included elsewhere in this report. We are not aware of any material pending or threatened legal proceedings against us, other than ordinary routine litigation incidental to the business, against us that we believe could have an adverse effect on our business, operating results or financial condition.

## Item 4. Mine Safety Disclosures

Not applicable.

## PART II

### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

#### Market Information

Our common stock began trading on the Nasdaq Global Market on July 31, 2020, under the symbol “VITL.” Prior to that time, there was no public market for our common stock.

#### Holders of Record

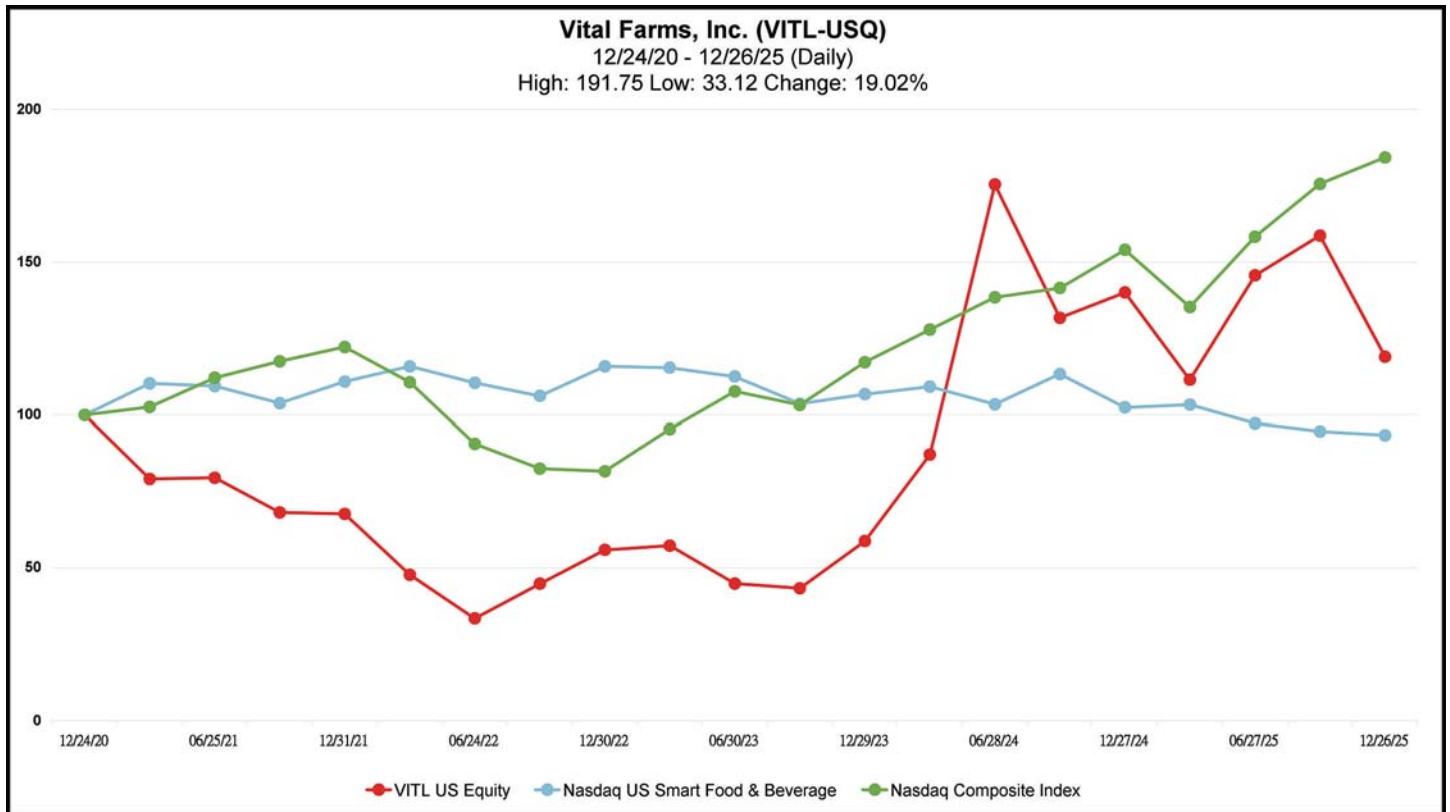
As of February 23, 2026, we had nine holders of record of our common stock. Certain shares are held in “street” name and accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

#### Dividend Policy

We declared cash dividends on our common stock in June 2013 totaling approximately \$0.3 million. We cannot provide any assurance that we will declare or pay cash dividends on our capital stock in the future. In addition, our ability to pay dividends on our capital stock may be subject to limitations under the terms of our credit facility agreement with JPMorgan Chase Bank, N.A., or the Credit Facility, or other credit facilities we may enter into from time to time. See Note 14 “Long-Term Debt—JPMorgan Credit Facility” to our consolidated financial statements included elsewhere in this Annual Report for additional information on the Credit Facility. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate declaring or paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our Board of Directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions (including in our then-existing debt arrangements), capital requirements, business prospects and other factors our Board of Directors may deem relevant.

#### Comparative Stock Performance Graph

The following performance graph shows a comparison for the five-year period ended December 26, 2025, the last trading day before our fiscal year 2026, of the cumulative total return for our common stock, the Nasdaq Composite Index and the Nasdaq US Smart Food & Beverage Index.



The graph assumes an initial investment of \$100 on December 24, 2020, the last trading day before our fiscal year 2021. The comparisons in the graph are not intended to forecast or be indicative of possible future performance of our common stock. The performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or Exchange Act.

### Recent Sales of Unregistered Equity Securities

None.

### Use of Proceeds

#### *Use of Proceeds from the IPO*

On August 4, 2020, we completed our IPO, in which we issued and sold 5,040,323 shares of our common stock and certain of our selling stockholders offered and sold 5,659,250 shares of our common stock at a price to the public of \$22.00 per share. We received net proceeds from the IPO of approximately \$99.7 million, after deducting underwriting discounts and commissions of \$7.8 million and offering expenses of \$3.4 million. None of the expenses associated with the IPO were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to their associates. Goldman Sachs & Co. LLC, Morgan Stanley and Credit Suisse Securities (USA) LLC acted as joint lead bookrunning managers for the IPO. Jefferies, BMO Capital Markets Corp. and Stifel, Nicolaus & Company, Incorporated acted as bookrunning managers for the IPO.

Shares of our common stock began trading on the Nasdaq Global Market on July 31, 2020. The offer and sale of the shares were registered under the Securities Act on Registration Statement on Form S-1 (Registration No. 333-239772), which was declared effective on July 30, 2020.

There has been no material change in the planned use of proceeds from our IPO as described in this Annual Report. We invested the funds received in cash equivalents and other marketable securities in accordance with our investment policy. As of December 28, 2025, we have used an aggregate of \$35.2 million of the IPO proceeds, including \$7.3 million to pay off our term loan under our prior credit facility agreement with PNC Bank, N.A., \$1.9 million to pay off our equipment loan in 2020 and \$26.0 million for capital expenditures.

**Issuer Purchases of Equity Securities**

None.

**Item 6. [Reserved]**

## Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A, “Risk Factors,” and “Special Note Regarding Forward-Looking Statements” included elsewhere in this Annual Report. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and related notes included elsewhere in this Annual Report.*

### Overview

Vital Farms’ aspiration is to become America’s most trusted food company. Our mission is to bring ethical food to the table, and we carry out this mission by raising the standards in the food industry and disrupting industrial, factory food norms. Our approach has allowed us to bring high-quality products from our farm network to a national audience and has enabled us to become the leading U.S. brand of pasture-raised eggs and the second-largest U.S. egg brand by retail dollar sales. Our ethics are exemplified by our focus on animal welfare and sustainable farming practices. We believe our standards produce happy hens with varied diets, which produce better eggs. There is a seismic shift in consumer demand for natural, traceable, clean-label, great-tasting and nutritious foods. Supported by a steadfast adherence to the values on which we were founded, we have designed our brand and products to appeal to this consumer movement.

Our purpose is to improve the lives of people, animals and the planet through food. We are committed to Conscious Capitalism, which prioritizes positive, long-term outcomes for all of our stakeholders – farmers and suppliers, customers and consumers, communities and the environment, employees, who we refer to as crew members, and stockholders. We make decisions based on what is sustainable for all our stakeholders. For us, it is not about short-term outcomes or a trade-off between purpose and profit. We are fierce business competitors who believe that prioritizing the long-term viability of all stakeholders will produce stronger outcomes for everyone, over time. These principles guide our day-to-day operations and, we believe, help us deliver a more sustainable and successful business. Our approach has been validated by our financial performance and our impact on the food industry. We are also incorporated as a Delaware public benefit corporation and a Certified B Corporation, a designation reserved by B Lab, an independent non-profit organization, for businesses that balance profit and purpose to meet the highest verified standards of social and environmental performance, public transparency and legal accountability.

We source our eggs from a network of more than 600 small farms, including our contracted family farms along with a small number of company-owned accelerator farms. The cream for our butter is sourced from a network of family farms contracted by our butter supplier. We have strategically designed our supply chain to ensure high production standards and optimal year-round operation. We are motivated by the positive impact we have on rural communities and enjoy a strong relationship and reputation with the family farmers in our network.

We primarily work with our contracted farms pursuant to buy-sell contracts. Under these arrangements, the farmer is responsible for all of the working capital and investments required to produce the eggs and manage the farm, including purchasing the birds and feed supply. As a result of elevated construction costs associated with our new farms, we incurred incremental farm recruitment costs in 2024 and 2025 that were required to be paid in advance of these farms beginning to produce eggs. These costs are expected to be recognized over the term of the related buy-sell contracts with the new farms, which are generally four to five years in length. The impact to fiscal 2024 was approximately \$15.0 million to working capital, and the impact to fiscal 2025 was approximately \$30.0 million to working capital. We believe the impact to our working capital resulting from these upfront costs could range from \$25.0 million to \$35.0 million in fiscal 2026. We are contractually obligated to purchase all of the eggs produced by the farmer during the term of the contract at an agreed-upon price that depends upon pallet weight and is adjusted quarterly for changes in feed cost.

We believe we are a strategic and valuable partner to retailers. We have continued to command premium prices for our products, including our shell eggs. Our loyal and growing consumer base has fueled the continued expansion of our brand in the natural and mainstream retail channels. We believe the success of our brand demonstrates that consumers are demanding premium products that meet a higher ethical standard. We have a strong presence at The Kroger Co., Sprouts Farmers Market, Target Corporation and Whole Foods Market, Inc., or Whole Foods, and we also sell our products at Albertsons Companies, Inc., Publix Super Markets, Inc., Walmart, Inc. and other retailers. We offer 23 retail stock keeping units, or SKUs, through a multi-channel retail distribution network. We believe we have significant room for growth within the retail and foodservice channels through growing brand awareness, gaining additional points of distribution and new product innovation.

Our shell eggs are collected from farmers by a third-party freight carrier. They are then placed in cold storage at a new dedicated cold storage and fulfillment center operated and owned by our longtime cold storage provider until we pack them for shipping to our customers at Egg Central Station, our state-of-the-art shell egg processing facility in Springfield, Missouri. Egg Central Station is approximately 153,000 square feet and utilizes highly automated equipment to grade and package our shell egg products, including an additional Moba egg grading system installed in 2025 to help meet continued demand for our shell eggs. Egg Central Station is capable of packing approximately more than 7.5 million eggs per day and has an SQF Excellent rating, the highest level of such certification from the Global Food Safety Initiative.

To help support continued supply and further growth, we broke ground in fiscal 2025 on Vital Crossroads, our planned second egg washing and packing facility with onsite cold storage in Seymour, Indiana, which we anticipate will be fully operational in 2027. We intend to build upon the foundational key learnings and successes from our Egg Central Station facility in Missouri with this second facility and further expand our already resilient supply chain.

In fiscal 2024, we purchased approximately 1,040 acres of farmland in Indiana for approximately \$7.5 million and in fiscal 2025, we purchased approximately 500 acres of farmland in Indiana for approximately \$3.8 million. Our intent is to develop this farmland (along with other potential parcels to be purchased in the future) and utilize it for “accelerator farms” to provide learning and development opportunities within our farm network and to help ensure adequate supply for our future egg washing and packing facility with onsite cold storage in Seymour, Indiana, while preserving the ability in the future to sell turnkey farms to interested farmers. In fiscal 2025, we placed laying hens at the first of these accelerator farms, and we have begun to source eggs from these farms. In fiscal 2025, we elected to sell certain undeveloped parcels of owned farmland in Indiana, totaling approximately 526 acres. Three parcels totaling approximately 263 acres were sold during fiscal 2025 for approximately \$1.6 million.

Our products are primarily distributed through a broker-distributor-retailer network, whereby brokers represent our products to distributors and retailers who will in turn sell our products to consumers. We serve the majority of natural channel customers through food distributors, which purchase, store, sell and deliver our products to our customers. We serve mainstream retailers by arranging for delivery of our products directly through their distribution centers. We also leverage distributor relationships to fulfill orders for certain independent grocers and other customers.

We have experienced consistent sales growth. We had net revenue of \$759.4 million and \$606.3 million, net income of \$66.3 million and \$53.4 million, and Adjusted EBITDA of \$114.0 million and \$86.7 million in the fiscal years ended December 28, 2025 and December 29, 2024, respectively. Adjusted EBITDA is a non-GAAP financial measure. See the section titled “—Non-GAAP Financial Measures—Adjusted EBITDA” below for the definition of Adjusted EBITDA, as well as a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure stated in accordance with GAAP.

## **Known Trends, Events and Uncertainties**

### ***Highly Pathogenic Avian Influenza (HPAI) and Other Agricultural Diseases***

Since initial outbreaks of HPAI in early 2022, we have been closely following the progression of the virus and working with our farmers, veterinarians, government health officials and animal welfare auditors to ensure that our flocks are kept as safe as possible. In fiscal 2024, we experienced an outbreak of HPAI at one of our farms. We did not experience outbreaks on any of our farms in fiscal 2025.

In fiscal 2024, we were made aware of an outbreak of a virus called Egg Drop Syndrome (EDS) in the Midwest. Nine of our farms were impacted by EDS in fiscal 2024, and 12 of our farms were impacted in fiscal 2025. EDS is characterized by the production of pale, thin-shelled, soft-shelled, or shell-less eggs by seemingly healthy laying hens.

In fiscal 2024 and continuing into fiscal 2025, HPAI-related disruptions in the supply of conventional eggs resulted at times in increased demand for premium egg products such as ours, which occasionally resulted in shortages of these eggs on shelves at our retail customers. While we have not experienced material disruptions to our egg supply due to HPAI and EDS outbreaks, if a substantial portion of our farms or production facilities were affected, this could materially and negatively affect our supply chain and operating results. Additionally, agricultural diseases such as HPAI or EDS have resulted and could in the future result in supply shortages and price increases across the egg market, including shortages of eggs on shelves at our retail customers. We are confident in the measures we have taken to reduce the risk of HPAI and EDS on our farms and production facilities, including through procurement of vaccinations for EDS, as well as our ability to mitigate impacts on supply. However, given continued uncertainty about future outbreaks and governmental responses to such outbreaks, we cannot predict the ultimate impact that agricultural diseases such as HPAI and EDS will have on our business.

## ***Economic Uncertainty and Volatility***

Economic uncertainty and volatility may affect our business and corresponding financial position and cash flows. Inflationary factors, such as increases in the cost of materials and supplies, interest rates and overhead costs, may adversely affect our operating results. Elevated interest rates also present a challenge impacting the U.S. economy and could make it more difficult for us or our farmers to obtain traditional financing on acceptable terms, if at all, in the future.

Certain of our products and elements of our supply chain, including our butter products and certain processing equipment and packaging, are imported from international markets. We expect that tariffs and restrictions on international trade will continue to impact the cost or availability of these items, particularly our butter products. However, the duration, magnitude and scope of any additional tariffs or restrictions on international trade are difficult to predict, including any related impacts to consumer demand, along with the extent (if any) to which we will be able to offset the impacts of such actions through our mitigation efforts.

In November 2025, the Supreme Court of the United States (SCOTUS) heard oral arguments on tariffs imposed under the International Emergency Economic Powers Act. In February 2026, SCOTUS issued a decision invalidating these tariffs; however, President Trump subsequently signed an executive order implementing a new 10% global tariff pursuant to alternative statutory authority, which may be raised to 15%. These actions have contributed to continued uncertainty and volatility in the trade environment. It remains unclear whether and to what extent duties previously collected under the invalidated tariffs will be refunded, whether refunds will be subject to administrative or judicial processes, or whether offsets or alternative measures may be imposed. We are evaluating the potential impact of these developments on our financial statements and business.

Additionally, any increased recessionary risk, together with the foregoing, could result in further economic uncertainty and volatility in the capital markets and could negatively affect our operations. We work closely with our farmers, suppliers and third-party manufacturers to manage our supply chain activities and mitigate potential disruptions to our product supplies as a result of supply chain disruptions associated with such uncertainties. We currently expect to have an adequate supply of our products, packaging and freight through fiscal 2026.

## **Our Fiscal Year**

We report on a 52-week or 53-week fiscal year, ending on the last Sunday in December. In a 52-week fiscal year, each fiscal quarter consists of 13 weeks. The additional week in a 53-week fiscal year is added to the fourth quarter, making such quarter consist of 14 weeks. Our first 53-week fiscal year as a public company occurred in fiscal 2023, which began on December 26, 2022 and ended on December 31, 2023. See “Nature of the Business and Basis of Presentation” in Note 1 to our audited consolidated financial statements included elsewhere in this Annual Report for additional details related to our fiscal calendar.

## **Key Factors Affecting Our Business**

We believe that the growth of our business and our future success are dependent upon many factors. While each of these factors presents significant opportunities for us, they also pose important challenges that we must successfully address to enable us to sustain the growth of our business and improve our results of operations.

## **Expand Household Penetration**

We have positioned our brand to capitalize on growing consumer interest in natural, clean-label, traceable, ethical, great-tasting and nutritious foods. We believe there is substantial opportunity to grow our consumer base and increase the velocity at which households purchase our products. U.S. household penetration for the shell egg category is approximately 97.3%, while the household penetration for our shell eggs is approximately 10.5%. We intend to increase household penetration by continuing to invest significantly in sales and marketing to educate consumers about our brand, our values and the premium quality of our products. We believe these efforts have helped and will continue to help educate consumers on the attractive attributes of our products, generate further demand for our products and ultimately expand our consumer base. Our ability to continue to attract new consumers will depend, among other things, on the perceived value and quality of our products, the offerings of our competitors and the effectiveness of our marketing efforts. Our performance depends significantly on factors that may affect the level and pattern of consumer spending in the U.S. natural food market in which we operate. Such factors include consumer preference, consumer confidence, consumer income, consumer perception of the safety and quality of our products and shifts in the perceived value for our products relative to alternatives.

## **Grow Within the Retail Channel**

We believe that our ability to increase the number of customers that sell our products to consumers is an indicator of our market penetration and our future business opportunities. We define our customers as the entities that sell our products to consumers. With certain of our retail customers, like Whole Foods, we sell our products through distributors. We are not able to precisely attribute our net revenue to a specific retailer for products sold through such channels. We rely on third-party data to calculate the portion of retail sales attributable to such retailers, but this data is inherently imprecise because it is based on gross sales generated by our products sold at retailers, without accounting for price concessions, promotional activities or chargebacks in the ordinary course of business, and because it measures retail sales for only the portion of our retailers serviced through distributors. Based on this third-party data and internal analysis, Whole Foods accounted for approximately 23%, 23% and 20% of our retail sales for fiscal years 2023, 2024 and 2025, respectively.

As of December 2025, there were more than 24,000 stores selling our products. We expect the retail channel to be our largest source of net revenue for the foreseeable future. By capturing greater shelf space, driving higher product velocities and increasing our SKU count, we believe there is meaningful runway for further growth with existing retail customers. Additionally, we believe there is significant opportunity to gain incremental stores from existing customers as well as by adding new retail customers. We also believe there is significant further long-term opportunity in additional distribution channels, including the convenience, drugstore and club markets. Our ability to execute this strategy will increase our opportunities for incremental sales to consumers, and we also believe this growth will allow for margin expansion. To accomplish these objectives, we intend to continue leveraging consumer awareness of and demand for our brand, offering targeted sales incentives to our customers and utilizing customer-specific marketing tactics. Our ability to grow within the retail channel will depend on a number of factors, such as our customers' satisfaction with the sales, product velocities and profitability of our products.

## **Expand Footprint Across Foodservice**

We believe there is significant demand for our products in the foodservice channel since we offer versatile ingredients with high menu penetrations across commercial and non-commercial operator segments. We see considerable opportunity to continue to grow the channel in the medium- to long-term with our two-pronged sales approach to values-aligned foodservice operators and their distributors. We are working with ROOTED Food Sales Agency, a foodservice sales and marketing agency, to increase our category share in broad-line distribution and to access additional national and regional restaurant menus.

We are also leveraging foodservice as a critical consumer touchpoint to drive brand awareness, and we are investing in syndicated data to reach strategic restaurant partners that will be mutually beneficial to reach new households. We believe this syndicated data provides valuable reporting, trends, and analytics to augment our storytelling on how we differentiate from other egg brands within the foodservice channel, which enhances their perceived customer value and drives loyalty.

## **Expand Our Product Offerings**

We intend to continue to strengthen our product offerings by investing in innovation in new and existing categories. We have a history of product introductions and intend to continue to innovate by introducing new products from time to time. Eggs and egg-related products generated \$733.2 million, or approximately 97%, of net revenue in fiscal 2025. We expect eggs and egg-related products to be our largest source of net revenue for the foreseeable future. We believe that investments in innovation will contribute to our long-term growth, including by reinforcing our efforts to increase household penetration. Our ability to successfully develop, market and sell new products will depend on a variety of factors, including the availability of capital to invest in innovation, as well as changing consumer preferences and demand for food products.

## **Key Components of Results of Operations**

### **Net Revenue**

We generate net revenue primarily from sales of our products, including eggs and butter, to our customers, which include natural retailers, mainstream retailers, distributors and foodservice customers. We sell our products to customers on a purchase-order basis. We serve the majority of our natural channel customers and certain independent grocers and other customers through food distributors, which purchase, store, sell and deliver our products to these customers.

We periodically offer promotional incentives to our customers, including customer rebates, temporary price reductions, off-invoice discounts, retailer advertisements, product coupons and other trade activities. At the end of each accounting period, we recognize a liability for an estimated promotional allowance reserve. We periodically provide credits or discounts to our customers in the event that products do not conform to customer expectations upon delivery or expire at a customer's site. We treat these credits and discounts as a reduction of the sales price of the related transaction at the time of sale. We anticipate that these promotional activities, credits and discounts could materially impact our net revenue and that changes in such activities could impact period-over-period results.

Our shell eggs are sold to consumers at a premium price point, and when prices for commodity shell eggs fall relative to the price of our shell eggs (including due to supply fluctuations or any price increases we may implement), price-sensitive consumers may choose to purchase commodity shell eggs offered by our competitors instead of our eggs. As a result, low commodity shell egg prices may adversely affect our net revenue. We have periodically elected to increase prices on certain of our products. While we have not seen significant decreases in sales volume due to previous price increases, if we further increase prices to offset higher commodity prices or other costs, we could experience lower demand for our products, decreased ability to attract new customers and lower sales volumes. Net revenue may also vary from period to period depending on the purchase orders we receive, the volume and mix of our products sold, and the channels through which our products are sold.

### **Cost of Goods Sold**

Cost of goods sold consists of the costs directly attributable to producing our products which include labor, raw material and packaging costs as well as overhead. The labor cost is comprised of wages and related costs for our processing crew members. The raw material is comprised of those items necessary to process our finished egg and butter products and the packaging costs are the cost of the packaging materials our finished products are sold in. Overhead costs in cost of goods sold include utilities, insurance, inbound freight, storage fees related to our warehouse and depreciation and amortization expenses related to our assets used in production. We expect cost of goods sold to increase in the future in connection with the development and staffing of Vital Crossroads, our second egg washing and packing facility with onsite cold storage in Indiana, as well as a result of the factors described above in "Known Trends, Events and Uncertainties—Economic Uncertainty and Volatility."

### **Selling, General and Administrative**

Selling, general and administrative expenses consist primarily of broker and contractor fees for sales and marketing, as well as personnel costs for sales and marketing, finance, human resources and other administrative functions, including salaries, benefits, bonuses, stock-based compensation expense and sales commissions. Selling, general and administrative expenses also include advertising and digital media costs, agency fees, travel and entertainment costs, and costs associated with consumer promotions, product samples, sales aids incurred to acquire new customers, retain existing customers and build our brand awareness, overhead costs for facilities, including associated depreciation and amortization expenses related to our non-production facilities and assets, and information technology-related expenses. We expect selling, general and administrative expenses to increase in the future in connection with the expansion of the business and increased marketing costs.

### **Shipping and Distribution**

Shipping and distribution expenses consist primarily of costs related to third-party freight for our products. We expect shipping and distribution expenses to increase in absolute dollars in the medium-to-long term as we continue to scale our business, and there is a risk that such expenses could continue to increase due to economic uncertainty, domestic or geopolitical tensions, wars, inflation, trade wars or tariff regimes.

## Result of Operations

We report on a 52-week or 53-week fiscal year, ending on the last Sunday in December. In a 52-week fiscal year, each fiscal quarter consists of 13 weeks. The additional week in a 53-week fiscal year is added to the fourth quarter, making such quarter consist of 14 weeks.

### Comparison of Fiscal Years Ended December 28, 2025 and December 29, 2024

The following table sets forth our consolidated statements of income data expressed as a percentage of net revenue for the periods presented:

	Fiscal Year Ended			
	December 28, 2025		December 29, 2024	
	Amount	% of Revenue	Amount	% of Revenue
(dollars in thousands)				
Net revenue	\$ 759,444	100%	\$ 606,307	100%
Cost of goods sold <sup>(1)</sup>	473,762	62%	376,381	62%
Gross profit	285,682	38%	229,926	38%
Operating expenses:				
Selling, general and administrative <sup>(1)</sup>	159,426	21%	133,939	22%
Shipping and distribution	37,883	5%	32,435	5%
Total operating expenses	197,309	26%	166,374	27%
Income from operations	88,373	12%	63,552	11%
Other income (expense), net:				
Interest expense	(874)	—	(1,010)	—
Interest income	5,013	—	5,246	—
Other expense, net	(1,248)	—	(250)	—
Total other income (expense), net	2,891	—	3,986	—
Net income before income taxes	91,264	12%	67,538	11%
Income tax provision	24,982	3%	14,150	2%
Net income	<u>\$ 66,282</u>	<u>9%</u>	<u>\$ 53,388</u>	<u>9%</u>

(1) Includes stock-based compensation expense of \$11,794 and \$9,972 in selling, general and administrative for the fiscal years ended 2025 and 2024, respectively, and \$595 and \$296 in cost of goods sold for the fiscal years then ended, respectively.

### Net Revenue

	52-Weeks Ended			
	December 28, 2025	December 29, 2024	\$ Change	% Change
(in thousands)				
Net revenue	\$ 759,444	\$ 606,307	\$ 153,137	25%

The increase in net revenue of \$153.1 million, or 25%, was driven by volume-related increases of \$78.3 million and price/mix benefits of \$74.9 million. Volume growth was driven by accelerated demand for existing products and expanded item offerings with existing customers. Net revenue from sales through our retail channel was \$727.9 million and \$582.4 million for fiscal years ended 2025 and 2024, respectively.

## Gross Profit and Gross Margin

	52-Weeks Ended		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
	(in thousands)			
Gross profit	\$ 285,682	\$ 229,926	\$ 55,756	24%
Gross margin	38%	38%		

The increase in gross profit of \$55.8 million, or 24%, was driven by higher net revenue generated during the period from volume growth, increased pricing across our shell egg portfolio and favorable mix benefits. Gross margin for the fiscal year ended December 28, 2025 decreased slightly compared with the gross margin for the fiscal year ended December 29, 2024 as investments were made to continue to scale and grow the business driven by increases in labor and overhead costs, partially offset by favorable price/mix benefits.

## Operating Expenses

### Selling, General and Administrative

	52-Weeks Ended		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
	(in thousands)			
Selling, general and administrative	\$ 159,426	\$ 133,939	\$ 25,487	19%
Percentage of net revenue	21%	22%		

The increase in selling, general and administrative expenses of \$25.5 million, or 19%, was primarily driven by:

- an increase of \$10.4 million in employee-related costs, including stock-based compensation, driven by an overall increase in employee headcount;
- an increase of \$10.3 million in marketing-related expenses to support future growth of the business;
- an increase of \$3.8 million in technology and software related expenses due to the implementation of our new cloud-based enterprise resource planning system and expansion of the business; and
- an increase of \$1.0 million in other selling, general, and administrative expenses.

### Shipping and Distribution

	52-Weeks Ended		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
	(in thousands)			
Shipping and distribution	\$ 37,883	\$ 32,435	\$ 5,448	17%
Percentage of net revenue	5%	5%		

The increase in shipping and distribution costs of \$5.4 million, or 17%, was driven by higher sales volumes and linehaul rates.

### Interest Expense

	52-Weeks Ended		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
Interest expense	\$ (874)	\$ (1,010)	\$ 136	(13%)

The decrease in interest expense of \$0.1 million, or 13%, was primarily driven by a reduction in interest paid on finance leases.

### *Interest Income*

	<u>52-Weeks Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
	(in thousands)			
Interest income	\$ 5,013	\$ 5,246	\$ (233)	(4%)

The decrease in interest income of \$0.2 million, or 4%, was primarily driven by lower interest income on our available-for-sale securities portfolio.

### *Other Expense, net*

	<u>52-Weeks Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
	(in thousands)			
Other expense, net	\$ (1,248)	\$ (250)	\$ (998)	399%

The increase in other expense, net of \$1.0 million, or 399%, was primarily driven by higher losses on our commodity derivative instruments during the fiscal year ended December 28, 2025.

### *Income Tax Provision*

	<u>52-Weeks Ended</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>December 28, 2025</u>	<u>December 29, 2024</u>		
	(in thousands)			
Income tax provision	\$ 24,982	\$ 14,150	\$ 10,832	77%

The increase in the income tax provision of \$10.8 million, or 77%, was primarily driven by an increase in net income for the fiscal year ended December 28, 2025 compared to the fiscal year ended December 29, 2024 partially offset by a decrease in the tax benefit of non-qualified stock option exercises that occurred during the fiscal year ended December 28, 2025 compared to the fiscal year ended December 29, 2024.

### **Comparison of Fiscal Years Ended December 29, 2024 and December 31, 2023**

For the discussion of the financial condition and results of operations for the fiscal year ended December 29, 2024 compared to the fiscal year ended December 31, 2023, refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Result of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 29, 2024, filed with the Securities and Exchange Commission on February 27, 2025.

## Non-GAAP Financial Measures

### Adjusted EBITDA

We report our financial results in accordance with GAAP. However, management believes that Adjusted EBITDA, a non-GAAP financial measure, provides investors with additional useful information in evaluating our performance.

We calculate Adjusted EBITDA as net income, adjusted to exclude:

- Depreciation and amortization;
- Stock-based compensation expense;
- Benefit or provision for income taxes, as applicable;
- Interest expense;
- Interest income; and
- Amortization of cloud computing arrangements.

Adjusted EBITDA is a financial measure that is not required by, or presented in accordance with, GAAP. We believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes.

Beginning in fiscal year 2025, amortization of cloud computing arrangements is included in our Adjusted EBITDA calculation. We recently completed a multi-year transition to a new cloud-based enterprise resource planning system to support our future growth and more fully optimize our existing processes, which we began to amortize in the fourth quarter of fiscal year 2025. Amortization of cloud computing arrangements is recognized in selling, general and administrative expenses in our consolidated statements of income.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of the limitations of Adjusted EBITDA include the following:

- It does not properly reflect capital commitments to be paid in the future;
- Although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures;
- It does not consider the impact of stock-based compensation expense, as such expenses in any specific period may not directly correlate to the underlying performance of our business operations and can vary significantly between periods as a result of the timing of grants of new stock-based awards;
- It does not reflect other non-operating expenses, including interest expense; and
- It does not reflect tax payments that may represent a reduction in cash available to us.

In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider Adjusted EBITDA alongside other financial measures, including our net income and other results stated in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net income, the most directly comparable financial measure stated in accordance with GAAP, for the periods presented:

	<b>Fiscal Year Ended</b>	
	<b>December 28, 2025</b>	<b>December 29, 2024</b>
	<b>(in thousands)</b>	
Net income	\$ 66,282	\$ 53,388
Depreciation and amortization <sup>(1)</sup>	13,844	13,093
Stock-based compensation expense	12,389	10,268
Income tax provision	24,982	14,150
Interest expense	874	1,010
Interest income	(5,013)	(5,246)
Amortization of cloud computing arrangements	668	—
Adjusted EBITDA	<u>\$ 114,026</u>	<u>\$ 86,663</u>

<sup>(1)</sup> Amount also includes finance lease amortization.

### **Liquidity and Capital Resources**

Since inception, we have funded our operations with proceeds from sales of our capital stock, proceeds from borrowings and cash flows from the sale of our products. We had net income of \$66.3 million for the fiscal year ended December 28, 2025 and retained earnings of \$149.4 million as of December 28, 2025. With cash, cash equivalents and marketable securities of \$113.4 million as of December 28, 2025 and \$60.0 million available under our credit facility agreement with JPMorgan Chase Bank, N.A., or the Credit Facility, we anticipate having sufficient liquidity to make investments in our business to support our long-term growth strategy.

#### **Funding Requirements**

We expect that our cash, cash equivalents and marketable securities, together with cash provided by our operating activities and available borrowings under our existing Credit Facility, will be sufficient to fund our operating expenses for at least the next 12 months. We further believe that we will be able to fund potential operating expenses and cash obligations beyond the next 12 months, through a combination of existing cash, cash equivalents and marketable securities, cash provided by our operating activities and available borrowings under our Credit Facility.

Our future capital requirements will depend on many factors, including our pace of new and existing customer growth, our investments in innovation, our investments in acquisitions, partnerships and unexplored channels and the potential costs associated with future expansion of our production capacity. We may be required to seek additional equity or debt financing. However, a significant disruption of global financial markets (including a disruption due to public health pandemics, geopolitical tensions and wars, trade wars, inflation or other factors) may result in our inability to access additional capital, which could in the future negatively affect our operations. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation and product expansion, we may not be able to compete successfully, which would harm our business, operations and results of operations. As of December 28, 2025, future minimum lease payments under non-cancelable operating leases totaled \$54.1 million and future minimum lease payments under non-cancelable finance leases totaled \$11.4 million.

Additionally, in 2025 we broke ground on Vital Crossroads, our planned second egg washing and packing facility with onsite cold storage in Seymour, Indiana. We anticipate that we will incur approximately \$120.0 million to \$140.0 million in capital expenditures related to the new egg washing and packing facility with onsite cold storage in the next 12 months and will incur further expenditures in the years following. We also anticipate that we will incur approximately \$5.0 million to \$15.0 million in capital expenditures over the next 12 months related to the development of accelerator farms on previously acquired farmland in Indiana or the purchase and development of future parcels, with further expenditures incurred in the years following. Finally, we anticipate increased expenditures in marketing during fiscal 2026 to support progress toward our long-term marketing goals.

On February 19, 2026, our Board of Directors authorized and approved entry into a stock repurchase program, which authorized us to periodically repurchase up to \$100.0 million of our common stock through the two-year anniversary of the approval of the stock repurchase program. Repurchases of our common stock made under the stock repurchase plan shall be effected from time to time, including, without limitation, pursuant to one or more written repurchase plans intended to qualify for the protections of Rule 10b5-1 of the Exchange Act, open market transactions made in reliance on the Rule 10b-18 of the Exchange Act safe harbor, and/or similar arrangements.

## Credit Facility

On April 9, 2024, we entered into the Credit Facility with JPMorgan Chase Bank, N.A. and the other lenders party thereto, which provides for a five-year, \$60.0 million revolving credit facility. The Credit Facility includes a \$5.0 million letter of credit sub-limit and an accordion option that would allow us to increase the aggregate revolving commitments or add incremental term loans in an aggregate amount not to exceed the greater of (i) \$35.0 million and (ii) an amount equal to 100% of consolidated adjusted EBITDA.

Any borrowings under the Credit Facility bear interest, at our election, at either (i) an adjusted term Secured Overnight Financing Rate or adjusted daily Secured Overnight Financing Rate plus 0.10% plus a margin of either 0.75%, 1.00% or 1.25% depending on our net leverage ratio, or (ii) an alternative base rate plus a margin of either 1.75%, 2.00% or 2.25%, depending on our net leverage ratio. We are required to pay a commitment fee on the undrawn portion of the aggregate commitments that accrues at either 0.20% or 0.375% per annum depending on our revolving exposure. Additionally, we are required to pay a participation fee on the account of each lender for each outstanding letter of credit at a rate equal to the applicable rate used to determine the interest rate applicable to term benchmark revolving loans.

The Credit Facility is secured by liens on substantially all of our assets, including certain intellectual property assets and investment securities. It requires us to maintain (i) a net leverage ratio of no greater than 3.25 to 1.00, subject to two increases up to 4.00 to 1.00 for a certain period following material acquisitions, and (ii) a fixed charge coverage ratio of no less than 1.35 to 1.00. The Credit Facility contains other customary covenants, representations and events of default. As a result of the limitations contained in the Credit Facility, certain of the net assets on our consolidated balance sheet as of December 28, 2025 are restricted in use. As of December 28, 2025, there was no outstanding balance under the Credit Facility, and we were in compliance with all covenants under the Credit Facility.

See “Long-Term Debt—JPMorgan Credit Facility” in Note 14 to our consolidated financial statements included elsewhere in this Annual Report for additional details related to our JPMorgan Credit Facility.

## Cash Flows

The following table summarizes our cash flows for the periods indicated:

	52-Weeks Ended	
	December 28, 2025	December 29, 2024
	(in thousands)	
Net cash provided by operating activities	\$ 33,715	\$ 64,824
Net cash used in investing activities	(134,252)	(7,026)
Net cash (used in) provided by financing activities	(1,233)	8,654
Net (decrease) increase in cash and cash equivalents	<u>\$ (101,770)</u>	<u>\$ 66,452</u>

### Operating Activities

The decrease in net cash provided by operating activities during the fiscal year ended December 28, 2025 was primarily due to an increase of \$60.1 million in net cash outflows compared to the fiscal year ended December 29, 2024, partially offset by (i) an increase in non-cash adjustments of approximately \$16.1 million and (ii) an increase of net income of approximately \$12.9 million.

The main drivers of the changes in operating assets and liabilities during fiscal 2025 were (i) a \$47.8 million increase in inventory purchases and (ii) a \$34.7 million cash outflow from payments on our operating lease obligations, partially offset by an increase of \$16.9 million in accounts payable due to timing of invoices and payments.

### Investing Activities

The increase in cash used in investing activities during the fiscal year ended December 28, 2025 was primarily due to increases in purchases of property, plant and equipment and available-for-sale securities, partially offset by an increase in maturities and call redemptions of available-for-sale securities during the fiscal year ended December 28, 2025 compared to the fiscal year ended December 29, 2024.

## ***Financing Activities***

The change in net cash used in financing activities of \$1.2 million during the fiscal year ended December 28, 2025 as compared to net cash provided by financing activities of \$8.6 million during the fiscal year ended December 29, 2024 was primarily driven by (i) a decrease in the proceeds received from the exercise of stock options and (ii) an increase in payments for tax withholding obligations on vested RSU shares during the fiscal year ended December 28, 2025 compared to the fiscal year ended December 29, 2024.

## **Seasonality**

Demand for our products fluctuates in response to seasonal factors. Demand tends to increase with the start of the school year and is highest prior to holiday periods, particularly Thanksgiving, Christmas and Easter, and is lowest during the summer months. Seasonality may also impact the risk of agricultural diseases such as highly pathogenic avian influenza, which can be influenced by seasonal bird migration patterns. As a result of seasonal and quarterly fluctuations, comparisons of our sales and results of operations between different quarters within a single fiscal year are not necessarily meaningful comparisons.

## **Critical Accounting Estimates**

The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and judgments that affect the amounts reported in the financial statements and related notes thereto. Critical accounting estimates are those estimates that, in accordance with GAAP, involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our consolidated financial statements. Management has determined that our most critical accounting estimates are those relating to revenue recognition and trade promotions, and income taxes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making these estimates, actual results reported in future periods could differ materially from those estimates. The following is a summary of certain accounting estimates we consider critical. For further discussion about our accounting policies, see Note 2 “Summary of Significant Accounting Policies” to our consolidated financial statements appearing elsewhere in this Annual Report.

### **Revenue Recognition and Trade Promotions**

We recognize revenue for the sale of our product at the point in time when our performance obligation has been satisfied and control of the product has transferred to our customer, which generally occurs upon delivery to the customer based on terms of the sale. Revenue is measured by the transaction price, which is defined as the amount of consideration we expect to receive in exchange for providing goods to customers. The transaction price is adjusted for estimates of known or expected variable consideration, which include trade promotions as well as chargebacks such as coupons, discounts, rebates, spoils, and other programs. Variable consideration related to these programs is recorded as a reduction to revenue, at the time of sale, based on the amount we expect to incur.

The transaction price contains estimates of known or expected variable consideration. We base these estimates on current forecasted activity and historical experience. We review our expected promotional rates and volumes each period, as well as our historical experience related to customer deductions for wrong, missing, damaged or aged product and update these estimates regularly until the incentives or product returns are realized. The impact of any adjustments is recognized in the period the adjustments are identified.

We do not believe it is reasonably likely that there will be a material change in the estimates or assumptions used to recognize revenue. As noted above, estimates are made based on historical experience and other factors. Typically, programs that are offered have a short duration and historical differences between actual experience compared to estimated volumes, performance and redemptions have not been significant to the quarterly or annual financial statements. However, if the level of redemption rates, volumes or performance were to vary significantly from our estimates, we may be exposed to gains or losses that could be material. We have not made any material changes in the accounting methodology used to recognize revenue during the past three fiscal years.

### **Income Taxes**

We determine our effective tax rate by estimating our permanent differences resulting from differing treatment of items for financial and income tax purposes. We are periodically audited by taxing authorities and consider any adjustments made as a result of the audits in computing our income tax expense. Any audit adjustments affecting permanent differences could have an impact on our effective tax rate.

Deferred income taxes relate primarily to depreciation expense and share-based compensation programs accounted for differently for financial and income tax purposes. Changes in tax laws and rates could materially affect recorded deferred tax assets and liabilities in the future. Valuation allowances are recorded when it is more likely than not that a tax benefit will not be realized for a deferred tax asset. Changes in projected future earnings could affect our recorded valuation allowances, if any, in the future.

We record unrecognized tax benefit liabilities for known or anticipated tax issues for which the benefit is more likely than not based on our analysis of whether, and the extent to which, additional taxes will be due. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the tax liabilities. To the extent we prevail in matters for which unrecognized tax benefit liabilities have been established or are required to pay amounts in excess of our recorded liability, our effective tax rate in a given financial statement period could be materially affected.

## **Recent Accounting Pronouncements**

See the sections titled “Summary of Significant Accounting Policies—Recently Adopted Accounting Pronouncements” and “—Recently Issued Accounting Pronouncements Not Yet Adopted” in Note 2 to our consolidated financial statements included elsewhere in this Annual Report for a discussion of recent accounting pronouncements.

## **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in commodity prices and interest rates.

### **Commodity Price Risk**

Our eggs and butter are sourced through a distributed supply chain of small farms. The price we pay to purchase shell eggs from farmers fluctuates based on pallet weight, and under our buy-sell contracts, which account for all of the laying hens in our network of contracted family farms as of December 28, 2025, the price we pay is also adjusted quarterly for changes in feed cost, which may cause our agreed-upon pricing under these contracts to fluctuate on a quarterly basis. Our buy-sell contracts subject us to risk of price fluctuations in feed ingredients, primarily consisting of corn and soy. The price we pay for butter is subject to butter commodity fluctuations. A hypothetical 10% increase or decrease in the weighted-average cost of these ingredients across our product lines as of December 28, 2025 would have resulted in an increase or decrease to cost of goods sold for the fiscal year ended December 28, 2025 of approximately \$12.9 million. We strive to offset the impact of ingredient cost increases with a combination of cost savings initiatives and efficiencies and price increases on our products.

Costs of packaging are volatile and can fluctuate due to conditions that are difficult to predict creating price risk. A hypothetical 10% increase or decrease in the weighted-average cost of packaging raw materials as of December 28, 2025 would have resulted in an increase or decrease to cost of goods sold for the fiscal year ended December 28, 2025 of approximately \$5.2 million. We seek to mitigate the impact of raw materials cost increases with a combination of negotiated pricing agreements, cost savings initiatives and efficiencies and price increases on our products.

### **Interest Rate Risk**

We are subject to interest rate risk in connection with our credit facility agreement with JPMorgan Chase, N.A., or the Credit Facility. See the section titled “—Liquidity and Capital Resources—Credit Facility” above for additional details related to our Credit Facility. Based on the average interest rate on the instruments under the Credit Facility during the fiscal year ended December 28, 2025, and to the extent that borrowings were outstanding, we do not believe that a hypothetical 10% change in the interest rate would have a material effect on our results of operations or financial condition for the fiscal year ended December 28, 2025.

Our interest-earning instruments also carry a degree of interest rate risk. As of December 28, 2025, we had cash and cash equivalents of \$48.8 million and investments in available for sale securities of \$64.5 million. As of December 28, 2025, the effective maturity of our investment securities available for sale was approximately three months and the composite credit rating of the holdings is Aaa on the Moody’s rating scale.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure during the fiscal year ended December 28, 2025.

## Item 8. Financial Statements and Supplementary Data

### Index to Financial Statements

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## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors  
Vital Farms, Inc.:

### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of Vital Farms, Inc. and subsidiary (the Company) as of December 28, 2025 and December 29, 2024, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended December 28, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 28, 2025 and December 29, 2024, and the results of its operations and its cash flows for each of the fiscal years in the three-year period ended December 28, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 28, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 26, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### *Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### *Evaluation of the sufficiency of audit evidence obtained over eggs and butter revenue*

As discussed in Notes 2 and 6 to the consolidated financial statements, the Company's net revenue is primarily generated from the sale of eggs and butter. The Company recognized net revenue of \$733,176 thousand from eggs and egg-related products (eggs revenue) and \$26,268 thousand from butter and butter-related products (butter revenue) for the fiscal year ended December 28, 2025.

We identified the evaluation of the sufficiency of audit evidence obtained over eggs revenue and butter revenue as a critical audit matter. Subjective auditor judgment was required due to the highly automated nature of certain processes to record egg revenue and butter revenue that involved the interface of data across multiple information technology (IT) systems and third-party logistics providers and a system implementation in fiscal 2025. Additionally, IT professionals with specialized skills and knowledge were required to determine the nature and extent of audit evidence to obtain and to evaluate the results of the procedures.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over the processing and recording of eggs revenue and butter revenue. We evaluated the design and tested the operating effectiveness of certain internal controls related to the processing and recording of eggs revenue and butter revenue, including controls over data from third-party logistics providers and the system implementation. We involved IT professionals with specialized skills and knowledge who assisted in testing certain general IT and automated internal

controls over IT systems used for the processing and recording of eggs and butter revenue. For selections of transactions, we evaluated the reliability of information used in our procedures by comparing information in certain IT systems to underlying documentation. We performed a software-assisted data analysis to test relationships among certain eggs and butter revenue transactions. For a selection of eggs and butter revenue transactions, we compared the recorded revenue amounts to underlying documentation, including invoices, cash receipts, bills of lading, and contracts with customers. We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed, including the appropriateness of the nature and extent of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2019.

Austin, Texas  
February 26, 2026

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors  
Vital Farms, Inc.:

### *Opinion on Internal Control Over Financial Reporting*

We have audited Vital Farms, Inc. and subsidiary's (the Company) internal control over financial reporting as of December 28, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 28, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 28, 2025 and December 29, 2024, the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the fiscal years in the three-year period ended December 28, 2025, and the related notes (collectively, the consolidated financial statements), and our report dated February 26, 2026 expressed an unqualified opinion on those consolidated financial statements.

### *Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Austin, Texas  
February 26, 2026

**VITAL FARMS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands, except share amounts)

	<u>December 28, 2025</u>	<u>December 29, 2024</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 48,831	\$ 150,601
Investment securities, available-for-sale	64,520	9,692
Accounts receivable, net of allowance for credit losses of \$685 and \$691 as of December 28, 2025 and December 29, 2024, respectively	67,849	54,342
Inventories	66,495	23,666
Prepaid expenses and other current assets, net of allowance for credit losses of \$34 and \$240 as of December 28, 2025 and December 29, 2024, respectively	11,304	7,740
Income taxes receivable	1,410	—
Assets held for sale	2,141	—
Total current assets	<u>262,550</u>	<u>246,041</u>
Property, plant and equipment, net	160,601	84,521
Operating lease right-of-use assets	80,390	19,617
Goodwill and other assets	15,197	9,153
Total assets	<u>\$ 518,738</u>	<u>\$ 359,332</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 55,141	\$ 38,582
Accrued liabilities	54,826	31,328
Operating lease liabilities, current	4,673	3,849
Finance lease liabilities, current	5,670	3,932
Income taxes payable	1,268	838
Total current liabilities	<u>121,578</u>	<u>78,529</u>
Operating lease liabilities, non-current	38,050	2,918
Finance lease liabilities, non-current	5,098	8,011
Other liabilities	2,752	572
Total liabilities	<u>\$ 167,478</u>	<u>\$ 90,030</u>
Commitments and contingencies (Note 20)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value per share, 10,000,000 shares authorized as of December 28, 2025 and December 29, 2024; no shares issued and outstanding as of December 28, 2025 and December 29, 2024	—	—
Common stock, \$0.0001 par value per share, 310,000,000 shares authorized as of December 28, 2025 and December 29, 2024; 44,797,125 and 44,042,355 shares issued and outstanding as of December 28, 2025 and December 29, 2024, respectively	4	4
Additional paid-in capital	201,820	186,182
Retained earnings	149,395	83,113
Accumulated other comprehensive income	41	3
Total stockholders' equity	<u>\$ 351,260</u>	<u>\$ 269,302</u>
Total liabilities and stockholders' equity	<u>\$ 518,738</u>	<u>\$ 359,332</u>

*See accompanying notes to the consolidated financial statements.*

**VITAL FARMS, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in thousands, except share and per share data)

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
Net revenue	\$ 759,444	\$ 606,307	\$ 471,857
Cost of goods sold	473,762	376,381	309,531
Gross profit	285,682	229,926	162,326
Operating expenses:			
Selling, general and administrative	159,426	133,939	101,728
Shipping and distribution	37,883	32,435	27,344
Total operating expenses	197,309	166,374	129,072
Income from operations	88,373	63,552	33,254
Other income (expense), net:			
Interest expense	(874)	(1,010)	(782)
Interest income	5,013	5,246	2,542
Other expense, net	(1,248)	(250)	(2,813)
Total other income (expense), net	2,891	3,986	(1,053)
Net income before income taxes	91,264	67,538	32,201
Income tax provision	24,982	14,150	6,635
Net income	\$ 66,282	\$ 53,388	\$ 25,566
Net income per share:			
Basic:	\$ 1.49	\$ 1.25	\$ 0.62
Diluted:	\$ 1.44	\$ 1.18	\$ 0.59
Weighted average common shares outstanding:			
Basic:	44,587,030	42,849,660	41,192,544
Diluted:	46,019,607	45,127,128	43,312,836

*See accompanying notes to the consolidated financial statements.*

**VITAL FARMS, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in thousands)

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
Net income	\$ 66,282	\$ 53,388	\$ 25,566
Other comprehensive income, before tax:			
Available-for-sale debt securities:			
Unrealized net holding gain	68	456	1,371
Amounts reclassified for realized (gains) losses to earnings	(13)	1	182
Available-for-sale debt securities, before tax	55	457	1,553
Other comprehensive income, before tax	55	457	1,553
Income tax expense related to items of other comprehensive income	(17)	(77)	(383)
Other comprehensive income, net of tax	38	380	1,170
Comprehensive income	<u>\$ 66,320</u>	<u>\$ 53,768</u>	<u>\$ 26,736</u>

*See accompanying notes to the consolidated financial statements.*

**VITAL FARMS, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Amounts in thousands, except share amounts)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity
	Shares	Amount				
<b>Balances at December 25, 2022</b>	4	\$	\$ 155,716	\$ 4,159	\$ (1,547)	\$ 158,332
Exercise of stock options	—	737,000	692	—	—	692
Vesting of restricted stock units	—	217,347	—	—	—	—
Shares withheld for tax liability on vested restricted stock units	—	(42,566)	(796)	—	—	(796)
Shares issued under employee stock purchase plan	—	25,878	296	—	—	296
Stock-based compensation expense	—	—	7,417	—	—	7,417
Other comprehensive income, net	—	—	—	—	1,170	1,170
<b>Balances at December 31, 2023</b>	4	\$ 41,684,649	\$ 163,325	\$ 29,725	\$ (377)	\$ 192,677
Exercise of stock options	—	2,143,468	13,680	—	—	13,680
Vesting of restricted stock units	—	255,570	—	—	—	—
Shares withheld for tax liability on vested restricted stock units	—	(68,219)	(1,510)	—	—	(1,510)
Shares issued under employee stock purchase plan	—	26,887	419	—	—	419
Stock-based compensation expense	—	—	10,268	—	—	10,268
Other comprehensive income, net	—	—	—	—	380	380
<b>Balances at December 29, 2024</b>	4	\$ 44,042,355	\$ 186,182	\$ 83,113	\$ 3	\$ 269,302
Exercise of stock options	—	507,473	5,577	—	—	5,577
Vesting of restricted stock units	—	316,335	—	—	—	—
Shares withheld for tax liability on vested restricted stock units	—	(101,773)	(3,163)	—	—	(3,163)
Shares issued under employee stock purchase plan	—	32,735	835	—	—	835
Stock-based compensation expense	—	—	12,389	—	—	12,389
Other comprehensive income, net	—	—	—	—	38	38
<b>Balances at December 28, 2025</b>	4	\$ 44,797,125	\$ 201,820	\$ 149,395	\$ 41	\$ 351,260

*See accompanying notes to the consolidated financial statements.*

**VITAL FARMS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands)

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
<b>Cash flows from operating activities:</b>			
Net income	\$ 66,282	\$ 53,388	\$ 25,566
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	13,844	13,093	7,925
Reduction in the carrying amount of right-of-use assets	8,931	4,191	4,129
Amortization and accretion of available-for-sale securities	(1,265)	110	348
Amortization of cloud computing arrangements	668	—	—
Amortization of debt issuance costs	85	60	—
Stock-based compensation expense	12,389	10,268	7,417
Uncertain tax positions	1,100	(82)	58
Deferred taxes	689	(1,864)	(179)
Net realized losses on derivative instruments	1,306	272	2,711
Increase in inventory provision	4,701	299	397
Other	1,296	1,306	41
Changes in operating assets and liabilities:			
Accounts receivable	(13,500)	(14,785)	(862)
Inventories	(47,794)	8,930	(6,443)
Prepaid expenses and other current assets	(2,558)	(1,244)	(1,151)
Income taxes receivable	(1,410)	—	—
Other assets	(8,037)	(3,755)	98
Income taxes payable	430	(368)	782
Accounts payable	16,931	5,810	6,671
Accrued liabilities	14,331	6,749	5,157
Operating lease liabilities	(34,704)	(17,554)	(1,759)
Net cash provided by operating activities	<u>\$ 33,715</u>	<u>\$ 64,824</u>	<u>\$ 50,906</u>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(81,950)	(28,646)	(11,538)
Purchases of available-for-sale securities	(95,139)	—	(982)
Purchases of derivative instruments	(823)	(1,701)	(1,971)
Sales of available-for-sale securities	404	—	2,895
Settlements of derivative instruments	272	—	106
Maturities and call redemptions of available-for-sale securities	41,240	23,320	32,265
Proceeds from the sale of property, plant and equipment	1,744	1	1,056
Return of investment in variable interest entity	—	—	552
Net cash (used in) provided by investing activities	<u>\$ (134,252)</u>	<u>\$ (7,026)</u>	<u>\$ 22,383</u>

*See accompanying notes to the consolidated financial statements*

**VITAL FARMS, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands)

	<b>Fiscal Year Ended</b>		
	<b>December 28, 2025</b>	<b>December 29, 2024</b>	<b>December 31, 2023</b>
<b>Cash flows from financing activities:</b>			
Proceeds from borrowing under revolving line of credit	—	—	7,500
Proceeds from exercise of stock options	5,577	13,680	692
Proceeds from issuance of common stock under employee stock purchase plan	835	419	296
Repayment of revolving line of credit	—	—	(7,500)
Payment of tax withholding obligation on vested RSU shares	(3,163)	(1,510)	(796)
Principal payments under finance lease obligations	(4,482)	(3,521)	(2,246)
Payment of financing costs	—	(414)	—
Net cash (used in) provided by financing activities	<u>\$ (1,233)</u>	<u>\$ 8,654</u>	<u>\$ (2,054)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(101,770)</b>	<b>66,452</b>	<b>71,235</b>
Cash and cash equivalents at beginning of the period	150,601	84,149	12,914
Cash and cash equivalents at end of the period	<u>\$ 48,831</u>	<u>\$ 150,601</u>	<u>\$ 84,149</u>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 782	\$ 950	\$ 775
Cash paid for income taxes, net of amounts refunded	\$ 24,173	\$ 16,465	\$ 5,975
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Purchases of property, plant and equipment included in accounts payable and accrued liabilities	\$ 9,256	\$ 884	\$ 187

*See accompanying notes to the consolidated financial statements*

**VITAL FARMS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Amounts in thousands, except share and per share amounts)

**1. Nature of the Business and Basis of Presentation**

Vital Farms, Inc. (the “Company”) was incorporated in Delaware on June 6, 2013 and is headquartered in Austin, Texas. The Company packages, markets and distributes shell eggs, butter and other products. These products are principally sold under the name Vital Farms in addition to other trade names, primarily to retail and foodservice channels in the United States.

Vital Farms of Missouri, LLC is a wholly owned subsidiary of Vital Farms. All significant intercompany transactions and balances have been eliminated in the audited consolidated financial statements.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”).

**Fiscal Year:** The Company’s fiscal year ends on the last Sunday in December and contains either 52 or 53 weeks. Therefore, the financial results of certain 53-week fiscal years will not be exactly comparable to the prior and subsequent 52-week fiscal years. The audited consolidated financial statements for the fiscal years ended December 28, 2025 and December 29, 2024, contain operating results for 52 weeks, while the audited consolidated financial statements for the fiscal year ended December 31, 2023 contain operating results for 53 weeks.

**2. Summary of Significant Accounting Policies**

**Use of Estimates:** The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates principally include revenue recognition, determination of useful lives for property, plant and equipment, leases, variable consideration, goodwill, allowance for credit losses, inventory obsolescence, stock option valuations, accrued liabilities, income taxes and contingencies. Actual results could differ from those estimates.

**Concentrations of Customers and Risk:** A substantial amount of shell egg processing occurs at the Company’s Egg Central Station shell egg processing facility in Missouri. Any shutdown or period of reduced production at this facility, which may be caused by regulatory noncompliance or other issues, as well as factors beyond the Company’s control, such as natural disaster, weather, fire, power interruption, work stoppage, disease outbreaks or pandemics, equipment failure or maintenance or delay in raw materials delivery, would significantly disrupt the Company’s ability to deliver its products in a timely manner, meet contractual obligations and operate the business.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, investments, accounts receivable and derivative instruments. The Company maintains deposits with large financial institutions that the Company believes are of high credit quality. At times the Company’s cash and cash equivalents balances with individual banking institutions are in excess of federally insured limits. The Company has not experienced any losses related to its cash and cash equivalents balances.

The Company’s customer concentration for the periods presented were as follows:

	Net Revenue Year Ended December 28, 2025	Net Revenue Year Ended December 29, 2024	Net Revenue Year Ended December 31, 2023	Accounts Receivable, Net as of December 28, 2025	Accounts Receivable, Net as of December 29, 2024
Customer A	22%	24%	25%	16%	16%
Customer B	10%	*	*	15%	10%
Customer C	*	*	*	*	13%
Customer D	*	*	*	10%	10%

\* Denotes percentage less than 10%

**Cash and Cash Equivalents:** The Company considers all short-term, highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash deposits are all in financial institutions in the United States. As of December 28, 2025 and December 29, 2024, cash and cash equivalents consisted of cash on deposit with balances denominated in U.S. dollars and investments in money market funds and U.S. treasury bills.

**Investment Securities:** The Company accounts for its investment securities in accordance with ASC 320, Investments-Debt and Equity Securities. The Company considers all of its debt securities for which there is a determinable fair market value, and there are no restrictions on the Company's ability to sell within the next 12 months, as available-for-sale. The Company classifies these securities as current, because the amounts invested are available for current operations. Available-for-sale securities are carried at fair value, with unrealized gains and losses, net of tax, recorded in other comprehensive income until the security is settled or sold, except for changes in allowance for any expected credit losses, which are reported on a gross basis in other expense.

The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is recorded in interest income. The cost of securities sold is based on the specific identification method with realized gains and losses on the sale of debt securities and declines in value due to credit-related factors, reclassified out of accumulated other comprehensive income when sold and recorded in other income. Income tax effects related to realized gains and losses on available-for-sale securities are released from accumulated other comprehensive income quarterly with the recognition of the Company's tax provision. Interest and dividends on securities classified as available-for-sale are recorded in interest income.

**Segment Information:** The Company operates and manages its business as one reportable and operating segment. The Company's Chief Executive Officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for purposes of evaluating financial performance and allocating resources. All of the Company's long-lived assets and customers are located in the United States.

**Fair Value of Financial Instruments:** Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of inputs that may be used to measure fair value are defined below:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The carrying values of cash, trade receivables, other non-trade receivables within prepaid expenses and other current assets, accounts payable, accrued expenses and other current liabilities approximate their fair value due to the short-term nature of these assets and liabilities.

**Accounts Receivable:** Accounts receivable are stated at amounts due from customers net of any allowance for credit losses. The Company generally does not have collateral for its receivables, but the Company does periodically evaluate the creditworthiness of its customers.

**Allowance for Credit Losses:** The allowance for expected credit losses related to trade receivables is estimated based on the trade receivable aging category, credit risk of specific customers, past collection history, and management's evaluation of accounts receivable. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. The provision for expected credit losses is charged within selling, general and administrative costs. These losses have been immaterial to date. Subsequent recoveries, if any, are credited to the allowance.

The allowance for expected credit losses related to other non-trade receivables are estimated based on the aging category and the probability of default.

**Inventories:** Inventories are stated at the lower of cost (which approximates weighted average costs) or net realizable value. In addition to product cost, inventory costs include expenditures such as in-bound shipping and handling and warehousing costs incurred in bringing the inventory to its existing condition and location. Inventory includes eggs and egg-related products, butter and butter-related products, packaging, feed, laying hens, pullets, and equipment parts. A reduction in the carrying value of an inventory item from cost to net realizable value is recorded in cost of goods sold with the offset to inventory. Any inventory that does not meet the quality control standards of the Company is separated and written down to its net realizable value.

**Derivative Financial Instruments:** The Company uses derivative instruments as part of its risk management activities to reduce its exposure to commodity price risk. Business operations give rise to certain market exposures, mostly due to changes in commodity prices of corn and soybean meal. Credit risks associated with derivative contracts are not significant, as the Company minimizes counterparty exposure by dealing with creditworthy counterparties and collateralized insurers and by utilizing exchange traded instruments and insurance backed commodity settlement contracts. While the Company may be exposed to potential losses due to the credit risk of non-performance by these counterparties, losses are not anticipated. The Company does not hold derivative instruments for trading purposes. Additionally, the Company's derivative contracts are short-term in duration and do not make use of credit-risk-related contingent features.

Derivatives used to manage commodity price risk are not designated for hedge accounting treatment. Therefore, the changes in fair value of these derivatives are recorded as incurred within other expense, net. Net realized gains and losses on derivative instruments are reported as a reconciling item from net income to cash from operating activities in the consolidated statements of cash flows. Cash flows related to settlements and purchases of derivative instruments are reported as investing activities within the consolidated statements of cash flows.

**Property, Plant and Equipment:** Property, plant and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives. The general range of useful lives of property, plant and equipment is as follows:

	<u>Estimated Useful Life</u>
Land	N/A
Land improvements	15 years
Buildings and improvements	15 to 39 years
Vehicles	5 years
Machinery and equipment	3 to 10 years
Furniture and fixtures	5 to 7 years
Leasehold improvements	Lesser of lease term or 7 years

When assets are sold or retired, the cost and related accumulated depreciation or amortization of assets disposed of are removed from the accounts, with any resulting gain or loss recorded in operations in the consolidated statements of income. Normal repairs and maintenance costs are expensed as incurred to operations.

**Goodwill:** Goodwill represents the excess of cost over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not amortized but is tested for impairment annually on the first day of the fourth fiscal quarter or more frequently if events or changes in circumstances indicate that the asset may be impaired. The Company's goodwill impairment test is performed at the enterprise level given the single reporting unit.

The Company first assesses qualitative factors to determine whether events or circumstances existed that would lead the Company to conclude that it is more likely than not that the fair value of the reporting unit is below its carrying amount. If the Company determines that it is more likely than not that the fair value of the reporting unit is below the carrying amount based on qualitative factors or if significant changes to macro-economic factors related to the reporting unit have occurred that could materially impact fair value, a quantitative goodwill assessment would be required. In the quantitative evaluation, the fair value of the reporting unit is determined and compared to the carrying value. If the fair value is greater than the carrying value, then the carrying value is deemed to be recoverable and no further action is required. If the fair value estimate is less than the carrying value, goodwill is considered impaired for the amount by which the carrying amount exceeds the reporting unit's fair value and a charge is reported as impairment of goodwill in the consolidated statements of income. To date, the Company has not recorded any impairment charges associated with its goodwill.

**Cloud Computing Arrangements:** The Company incurs costs to implement cloud computing arrangements hosted by third party vendors. Costs incurred to implement cloud computing service arrangements are capitalized when incurred during the application development phase and recognized as other current assets and other non-current assets in the consolidated balance sheets. Amortization of the cloud computing arrangement implementation costs began when the software was placed in service in September 2025 and is recorded in selling, general and administrative expenses.

**Leases:** The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to and the agreement creates enforceable rights and obligations. Under ASC 842, Leases ("Topic 842"), a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company has made an accounting policy election not to recognize right-of-use (“ROU”) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, the Company recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease. The Company’s recognized ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date, which are reduced by any lease incentives.

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the Consumer Price Index measured by the U.S. Bureau of Labor Statistics). Subsequent index changes and other periodic market-rate adjustments to base rent are recorded as variable lease expense during the period in which they are incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for all asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

**Impairment of Long-Lived Assets:** The Company reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate the carrying value of an asset may not be recoverable from the estimated undiscounted future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects and the effects of obsolescence, demand, competition and other economic factors. The Company did not recognize an impairment loss during the fiscal years ended December 28, 2025, December 29, 2024 and December 31, 2023.

**Income Taxes:** Income taxes are computed using the asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements. In estimating future tax consequences, the Company considers all expected future events other than enactment of changes in tax laws or rates. A valuation allowance is recorded, if necessary, to reduce net deferred tax assets to their realizable values if management does not believe it is more likely than not that the net deferred tax assets will be realized.

The Company recognizes the benefit of an income tax position only if it is more likely than not (greater than 50%) that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position. Otherwise, no benefit can be recognized. Assessing an uncertain tax position begins with the initial determination of the sustainability of the position and is measured at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. As of each balance sheet date, unresolved uncertain tax positions must be reassessed. Additionally, the Company must accrue interest and related penalties, if applicable, on all tax exposures for which reserves have been established consistent with jurisdictional tax laws.

The Company’s policy is to recognize interest and penalties related to uncertain tax positions in the provision for income taxes. As of December 28, 2025 and December 29, 2024 the Company had accrued interest and penalties related to uncertain tax positions of \$499 and \$157.

**Net Income per Share:** The Company applies the two-class method to compute basic and diluted net income per share attributable to the Company’s common stockholders when shares meet the definition of participating securities. The two-class method determines net income per share for each class of the Company’s common stock and preferred stock according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between the Company’s common stock and preferred stock based upon their respective rights to share in the earnings as if all income for the period had been distributed. During periods of loss, there is no allocation required under the two-class method since the preferred stock does not have a contractual obligation to share in the Company’s losses.

Basic net income per share attributable to the Company’s stockholders is computed by dividing net income by the weighted-average number of shares outstanding during the period without consideration of potentially dilutive common stock. Diluted net income per share reflects the potential dilution that could occur if securities or other contracts to issue shares of the Company’s common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company unless inclusion of such shares would be anti-dilutive. For periods in which the Company reports net losses, diluted net loss per common share attributable to the Company’s common stockholders is the same as basic net loss, because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

**Revenue Recognition:** The Company generates revenue primarily through sales of products to its customers, which include natural channel retailers, mainstream channel retailers, distributors and foodservice customers. The Company sells its products to customers on a purchase-order basis.

Revenue is recognized when control of the product is transferred to the customer and the related performance obligation is satisfied, which typically occurs upon delivery of the product to the customer, for an amount that reflects the net consideration the Company expects to receive in exchange for delivering the product. The Company offers sales incentives through various programs to customers and allows deductions from its customers, which may include credits or discounts to customers in the event that products do not conform to customer specifications or expire at a customer's site. The cost associated with variable consideration is estimated and recorded as a reduction in revenue and is recognized at the time the related revenue is recorded, which normally precedes the actual cash expenditure. The recognition of this cost therefore requires management judgment regarding the volume of promotional offers that will be redeemed. Differences between estimated cost and actual redemptions are recognized as a change in management estimate in a subsequent period.

In many cases, key sales terms such as pricing and quantities ordered are established on a regular basis such that most customer arrangements and related incentives have a duration of less than one year. Amounts billed and due from customers are short-term in nature and are classified as receivables since payments are unconditional and only the passage of time is required before payments are due.

**Shipping and Distribution:** The Company's shipping and distribution costs include costs incurred with third-party carriers to transport products to customers and salaries and overhead costs related to activities to prepare the Company's products for shipment. Shipping and distribution costs were \$37,883, \$32,435, and \$27,344 during the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, respectively. Freight-in costs are included within cost of goods sold and were \$3,963, \$3,526, and \$4,823 during the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, respectively.

**Stock-Based Compensation:** The Company measures all stock-based awards granted to employees and directors based on the estimated fair value on the date of the grant and recognizes compensation expense for those awards, over the requisite service period, which is generally the vesting period of the respective award. Stock options generally vest ratably over three years from the date of grant and expire 10 years from the date of grant. Restricted stock awards generally vest ratably over three years from the date of grant and contain no other service or performance conditions. Performance stock awards vest at the end of a three-year period dependent upon the level of achievement of certain Company performance metrics and the recipient's continued service over such period. The Company recognizes stock-based compensation expense on a straight-line basis over the requisite service or vesting period. Forfeitures for stock options and restricted stock awards are recognized as they occur. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing valuation model, which requires inputs based on certain subjective assumptions, including the fair market value of the Company's common stock, expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and the Company's expected dividend yield. The Company classifies stock-based compensation expense in its consolidated statements of income in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

**Advertising and Promotion Expenses:** Advertising and promotion expenses consist primarily of production costs and the costs to communicate the advertisements to promote and market the Company's products. Production costs such as idea development, artwork, audio and video crews and other upfront development costs are expensed the first time the associated advertising campaign is launched or aired. The costs to communicate the advertisements such as airtime and distribution costs are expensed as incurred. During the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, the Company incurred advertising and promotion expenses of approximately \$41,330, \$32,138, and \$23,625, respectively.

**Recently Adopted Accounting Pronouncements:** In December 2023, the Financial Accounting Standards Board (the "FASB") issued ASU No 2023-09, Income Taxes (Topic 740) — Improvements to Income Tax Disclosures ("ASU 2023-09") in order to enhance the transparency and usefulness of income tax disclosures. The guidance is applicable to all entities subject to income tax and it will require disclosure of certain categories within the rate reconciliation to improve consistency as well as disclosure of reconciling items which meet a certain quantitative threshold which will improve transparency. Additionally, entities must disclose the amount of taxes paid to federal, state and foreign municipalities. For public business entities ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The adoption of this standard did not have a material impact on the Company's consolidated financial statements but resulted in expanded disclosures in Note 17 "Income Taxes" below.

**Recently Issued Accounting Pronouncements Not Yet Adopted:** In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses ("ASU 2024-03"), which requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact of its pending adoption of ASU 2024-03 on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40) — Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"), which modernizes the accounting for internal-use software under ASC 350-40 by aligning it with current development practices, especially agile and iterative methods. It clarifies when to begin capitalizing costs, improves operability across different development approaches, and enhances disclosure

requirements. This update is effective for interim and annual periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of its pending adoption of ASU 2025-06 on its consolidated financial statements and disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-11.

### 3. Investment Securities

The following table summarizes the Company's available-for-sale investment securities as of December 28, 2025:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. Treasury Bills	\$ 64,476	\$ 44	\$ —	\$ —	\$ 64,520
Total	<u>\$ 64,476</u>	<u>\$ 44</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 64,520</u>

The following table summarizes the Company's available-for-sale investment securities as of December 29, 2024:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
U.S. corporate bonds and U.S. dollar denominated foreign bonds	\$ 9,702	\$ 15	\$ (25)	\$ —	\$ 9,692
Total	<u>\$ 9,702</u>	<u>\$ 15</u>	<u>\$ (25)</u>	<u>\$ —</u>	<u>\$ 9,692</u>

The following table presents the Company's proceeds, gross realized gains and losses from the sale of available-for-sale securities for the periods presented:

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
Proceeds	\$ 404	\$ —	\$ 2,895
Gross realized gains	13	—	—
Gross realized losses	—	(1)	(183)
Net realized losses	<u>\$ 13</u>	<u>\$ (1)</u>	<u>\$ (183)</u>

Actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties. The amortized cost and fair value of the Company's investments in available-for-sale securities as of December 28, 2025 by contractual maturity are as follows:

	Amortized Cost	Fair Value
Due within one year	\$ 64,476	\$ 64,520
Due after one year through five years	—	—
Total available-for-sale	<u>\$ 64,476</u>	<u>\$ 64,520</u>

The following tables present the Company's unrealized loss aging for available-for-sale securities by type and length of time the security was in a continuous unrealized loss position as of the periods presented:

	December 28, 2025					
	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury Bills	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

	December 29, 2024					
	Less than 12 months		12 months or longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. corporate bonds and U.S. dollar denominated foreign bonds	\$ —	\$ —	\$ 8,014	\$ (25)	\$ 8,014	\$ (25)
Total	\$ —	\$ —	\$ 8,014	\$ (25)	\$ 8,014	\$ (25)

As of December 28, 2025, there were no diversified issuances in the Company's securities portfolio in an unrealized loss position.

The Company does not believe there has been any significant decline in the creditworthiness of the issuers and the Company does not have current liquidity needs that would necessitate a sale of any material investments prior to maturity. Therefore, the Company has not recorded an allowance for credit losses on the investment securities as of December 28, 2025.

The fair value and location of all investment securities are included in "Fair Value Measurements" in Note 5 below.

#### 4. Derivative Financial Instruments

The Company enters into derivative instruments to mitigate the impact of commodity price volatility. Such instruments may include call options on commodity price contracts. Realized and unrealized gains and losses on the Company's commodity derivatives not designated as hedging instruments are recorded in other expense, net. The Company recognizes all derivative instruments as either assets or liabilities.

The following table presents the aggregated outstanding notional amounts related to the Company's derivative financial instruments for the periods presented:

	Metric	December 28, 2025	December 29, 2024
Commodity:			
Corn	Bushels (in thousands)	1,500	3,593
Soybean Meal	Tons	16	37

For the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, the pre-tax amount of commodity contract derivative losses recognized in other expense, net was \$1,306, \$273, and \$2,435, respectively.

The fair value and location of all outstanding derivative financial instruments are included in "Fair Value Measurements" in Note 5 below.

#### 5. Fair Value Measurements

##### Assets Measured at Fair Value on a Recurring Basis

The fair value hierarchy requires the use of observable market data when available. In instances where the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the

lowest level input significant to the fair value measurement in its entirety. The Company’s assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

The following tables present information about the Company’s financial assets measured at fair value on a recurring basis for the periods presented:

<b>Fair Value Measurements as of December 28, 2025,</b>				
<b>Using:</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents:				
Money market	\$ 14,807	\$ —	\$ —	\$ 14,807
U.S. Treasury Bills	—	4,998	—	4,998
Investment securities, available-for-sale:				
U.S. Treasury Bills	—	64,520	—	64,520
Prepaid expenses and other current assets:				
Derivative financial instruments	—	262	—	262
<b>Total assets measured at fair value</b>	<b>\$ 14,807</b>	<b>\$ 69,780</b>	<b>\$ —</b>	<b>\$ 84,587</b>

<b>Fair Value Measurements as of December 29, 2024,</b>				
<b>Using:</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents:				
Money market	\$ 114,249	\$ —	\$ —	\$ 114,249
Investment securities, available-for-sale:				
U.S. corporate bonds and U.S. dollar denominated foreign bonds	—	9,692	—	9,692
Prepaid expenses and other current assets:				
Derivative financial instruments	—	1,153	—	1,153
<b>Total assets measured at fair value</b>	<b>\$ 114,249</b>	<b>\$ 10,845</b>	<b>\$ —</b>	<b>\$ 125,094</b>

During the fiscal year ended December 28, 2025, there were no transfers between fair value measurement levels. For additional information on concentrations of credit risk for the Company’s financial instruments, refer to “Summary of Significant Accounting Policies” in Note 2 and “Investment Securities” in Note 3 above.

### **Fair Value of Other Financial Instruments**

The carrying values of the Company’s short-term financial instruments not included above, including cash, trade receivables, other non-trade receivables included in prepaid expense and other current assets, accounts payable, accrued expenses and other current liabilities approximate their fair value due to their short-term nature.

## **6. Revenue Recognition**

The following table summarizes the Company’s net revenue by primary product for the periods presented:

	<b>Fiscal Year Ended</b>		
	<b>December 28, 2025</b>	<b>December 29, 2024</b>	<b>December 31, 2023</b>
<b>Net Revenue:</b>			
Eggs and egg-related products	\$ 733,176	\$ 580,954	\$ 449,045
Butter and butter-related products	26,268	25,353	22,812
<b>Net Revenue</b>	<b>\$ 759,444</b>	<b>\$ 606,307</b>	<b>\$ 471,857</b>

Net revenue is primarily generated from the sale of eggs and butter. The Company's product offerings include shell eggs, hard-boiled eggs, liquid whole eggs, and stick butter. The Company's ghee and spreadable tub butter offerings were discontinued during the fiscal year ended December 31, 2023. The revenues related to the discontinued product lines were immaterial.

## 7. Allowance for Credit Losses

As of December 28, 2025 and December 29, 2024, the Company had an allowance for credit losses of \$719 and \$931, respectively.

The Company recognizes current estimated credit losses ("CECL") for accounts receivable. The CECL for trade receivables is estimated based on the trade receivable aging category, credit risk of specific customers, past collection history, and management's evaluation of accounts receivable. The Company also has other receivables which are classified within prepaid expenses and other current assets. The CECL for other receivables is estimated based on the other receivables aging category and the probability of default. Provisions for CECL are classified within selling, general and administrative costs.

Changes in the allowance for credit losses for the periods presented were as follows:

	Accounts Receivable	Prepaid Expenses and other Current Assets	Total
As of December 25, 2022	\$ (493)	\$ (206)	\$ (699)
Provisions charged to operating results	(364)	(148)	(512)
Account write-offs	307	127	434
As of December 31, 2023	\$ (550)	\$ (227)	\$ (777)
Provisions charged to operating results	(290)	(153)	(443)
Account write-offs	149	140	289
As of December 29, 2024	\$ (691)	\$ (240)	\$ (931)
(Provisions) reductions charged to operating results	(49)	206	157
Account write-offs	55	—	55
As of December 28, 2025	<u>\$ (685)</u>	<u>\$ (34)</u>	<u>\$ (719)</u>

## 8. Inventories

Inventory consisted of the following as of the periods presented:

	December 28, 2025	December 29, 2024
Eggs and egg-related products	\$ 29,836	\$ 7,384
Butter and butter-related products	20,394	8,691
Packaging	10,842	4,296
Pullets	7,602	1,657
Other	2,744	1,860
Reserve for inventory obsolescence	(4,923)	(222)
Inventories	<u>\$ 66,495</u>	<u>\$ 23,666</u>

On a periodic basis, the Company compares the amount of inventory on hand with its latest forecasted requirements to determine whether charges for excess or obsolete inventory reserves are required.

## 9. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following as of the periods presented:

	December 28, 2025	December 29, 2024
Prepaid expenses	\$ 5,239	\$ 4,403
Other receivables, net	3,123	1,812
Cloud computing implementation costs	2,680	372
Derivative financial instruments	262	1,153
Prepaid expenses and other current assets, net	<u>\$ 11,304</u>	<u>\$ 7,740</u>

## 10. Property, Plant and Equipment

Property, plant and equipment consisted of the following as of the periods presented:

	December 28, 2025	December 29, 2024
Land	\$ 10,660	\$ 11,200
Land improvements	2,547	818
Buildings and improvements	40,398	30,607
Vehicles	1,999	1,468
Machinery and equipment	69,137	58,847
Leasehold improvements	491	491
Furniture and fixtures	636	531
Construction in progress	77,824	14,456
	<u>203,692</u>	<u>118,418</u>
Less: Accumulated depreciation and amortization	(43,091)	(33,897)
Property, plant and equipment, net	<u>\$ 160,601</u>	<u>\$ 84,521</u>

During the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, depreciation of property, plant and equipment was approximately \$9,254, \$9,255, and \$7,925, respectively.

During the 52-week period ended December 28, 2025, the Company elected to sell certain parcels of land located in Indiana previously purchased for the development of “accelerator farms” that in the aggregate total approximately 526 acres. Such parcels of land met the criteria to be classified as assets held for sale. As of December 28, 2025, approximately 263 acres remain to be sold with a carrying amount of \$2.1 million classified as assets held for sale in the condensed consolidated balance sheets and are expected to be disposed of within the next 12 months.

## 11. Leases

The Company leases office facilities, warehouses, office equipment and vehicles for delivery of products under lease agreements with initial terms approximating one to eleven years. The Company's finance leases include leases on a transportation fleet as well as office equipment and its operating leases primarily consist of leases on its buildings, including its corporate headquarters.

In addition, substantially all the Company's long-term supply contracts with farms contain components that meet the definition of embedded leases within the scope of Topic 842. These arrangements convey to the Company the right to control implicitly identified property, plant and equipment as it takes substantially all the utility generated by these assets over the term of the arrangements at a variable price. The initial term of these supply agreements ranges from one to ten years. Excluding upfront leasing costs discussed below, the total purchase commitments contained in these arrangements are variable and represent rentals; there are no minimum purchase commitments associated with these long-term supply contracts. Beginning in December 2023, the Company executed long-term supply contracts with farms to provide an upfront lease payment to offset farm construction costs, loans and other startup costs. The upfront leasing costs have been classified within operating lease ROU assets on the consolidated balance sheet for the fiscal years ended December 28, 2025 and December 29, 2024 and are amortized to cost of goods sold over the term of the long-term supply arrangements.

As the classification and timing of recognition of costs attributable to the eggs and embedded cost of the lease rentals are identical, the Company does not allocate the total purchase cost of eggs between the cost of the eggs and the embedded cost of the lease rentals or distinguish between them in its accounting records. The Company records the total purchase cost of eggs, which includes costs associated with the eggs and the corresponding cost of embedded lease rentals from the same arrangement, into inventory. These costs are expensed to cost of goods sold when the associated eggs are sold to customers and are also reported as part of variable lease cost.

The Company's office lease for its corporate headquarters facility in Austin, Texas includes an option to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease term up to five years. In addition, certain leases contain termination options, where the rights to terminate are held by the Company, the lessor, or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Company will exercise that option. As of December 28, 2025, it is not reasonably certain that the Company will exercise the right to extend its office lease and therefore, the Company has not included the extended term in the calculation of its ROU assets or liabilities. The Company's leases do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term and finance lease cost is recognized as amortization expense for ROU assets and interest expense associated with finance lease liabilities. Amortization expense associated with finance leases during the fiscal years ended December 28, 2025, December 29, 2024 and December 31, 2023 was \$4,590, \$3,838 and \$2,565, respectively, and is recorded within costs of goods sold and selling, general and administrative costs in the consolidated statement of income.

The components of lease cost consisted of the following for the periods presented:

	<b>Fiscal Year Ended</b>		
	<b>December 28, 2025</b>	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Operating lease cost	\$ 9,850	\$ 4,789	\$ 1,714
Finance lease cost – amortization of ROU assets	4,590	3,838	2,565
Finance lease cost – interest on lease liabilities	782	941	740
Short-term lease cost	1,210	158	771
Variable lease cost	21,126	11,293	7,533
Variable lease cost – long-term supply contracts	255,397	225,390	200,050
<b>Total lease cost</b>	<b>\$ 292,955</b>	<b>\$ 246,409</b>	<b>\$ 213,373</b>

Supplemental balance sheet information related to leases is as follows:

	<b>As of December 28, 2025</b>	<b>As of December 29, 2024</b>
<b>Finance Leases</b>		
Machinery and equipment	\$ 21,281	\$ 18,074
Less: Accumulated depreciation and amortization	(11,229)	(6,675)
Property, plant and equipment, net	<u>\$ 10,052</u>	<u>\$ 11,399</u>

	<b>As of December 28, 2025</b>	<b>As of December 29, 2024</b>
Weighted-average remaining lease term (years)		
Operating leases	10.56	2.38
Finance leases	1.85	2.83
Weighted-average discount rate		
Operating leases	4.77%	7.55%
Finance leases	6.73%	7.17%

Future undiscounted cash flows are as follows:

	<b>As of December 28, 2025</b>	
	<b>Operating Leases</b>	<b>Finance Leases</b>
2026	\$ 6,548	\$ 6,187
2027	5,291	5,228
2028	4,700	—
2029	4,700	—
2030	4,700	—
Thereafter	28,200	—
Total lease payments	54,139	11,415
Less imputed interest	(11,416)	(647)
Total present value of lease liabilities	\$ 42,723	\$ 10,768

Supplemental cash flow information related to leases is as follows:

Cash paid for amounts included in measurement of lease liabilities:

	<b>Fiscal Year Ended</b>	
	<b>December 28, 2025</b>	<b>December 29, 2024</b>
Operating cash outflows - payments on operating leases	\$ 34,704	\$ 17,554
Operating cash outflows - interest payments on finance leases	782	941
Financing cash outflows - principal payments on finance leases	4,482	3,521

ROU assets obtained in exchange for new lease obligations:

	<b>As of December 28, 2025</b>	<b>As of December 29, 2024</b>
Operating leases	\$ 73,585	\$ 14,988
Finance leases	3,462	1,728

Decreases in ROU assets related to lease terminations and modifications:

	<b>Fiscal Year Ended</b>	
	<b>December 28, 2025</b>	<b>December 29, 2024</b>
Operating leases	\$ 3,881	\$ 91
Finance leases	219	—

## 12. Goodwill and Other Assets

Goodwill and other assets consisted of the following as of the periods presented:

	December 28, 2025	December 29, 2024
Goodwill	\$ 3,858	\$ 3,858
Cloud computing implementation costs, net	9,501	3,834
Deferred tax asset	1,776	1,399
Other non-current assets	62	62
Goodwill and other assets	<u>\$ 15,197</u>	<u>\$ 9,153</u>

As of December 28, 2025 and December 29, 2024 the Company has capitalized costs of \$12,849 and \$4,206 relating to cloud computing arrangement implementation costs. Of this total, \$9,501 and \$3,834 are classified as non-current assets under the heading “goodwill and other assets”, including \$668 and \$0 of accumulated amortization, and \$2,680 and \$372 are classified as current assets under the heading “prepaid expenses and other current assets” as of December 28, 2025 and December 29, 2024, respectively. This software was developed by a third-party in conjunction with the Company’s employees. Amortization of the cloud computing arrangement implementation costs began once the software was placed in service in September 2025 and classified within “selling, general and administrative costs.”

## 13. Accrued Liabilities

Accrued liabilities consisted of the following as of the periods presented:

	December 28, 2025	December 29, 2024
Employee-related costs	\$ 11,816	\$ 15,074
Promotions and customer deductions	12,394	8,204
Distribution fees and freight	7,346	3,193
Marketing and broker commissions	4,845	2,235
Purchases of inventory	5,128	641
Professional fees	1,259	958
Property, plant and equipment	7,923	380
Taxes	3,049	31
Other	1,066	612
Accrued liabilities	<u>\$ 54,826</u>	<u>\$ 31,328</u>

## 14. Long-Term Debt

### *JPMorgan Credit Facility*

On April 9, 2024, the Company entered into a syndicated credit agreement with JPMorgan Chase Bank, N.A. and the other lenders party thereto (the “Credit Facility”), which provides for a five-year, \$60.0 million revolving credit facility.

The Credit Facility includes a \$5.0 million letter of credit sub-limit and an accordion option that would allow the Company to increase the aggregate revolving commitments or add incremental term loans in an aggregate amount not to exceed the greater of (i) \$35.0 million and (ii) an amount equal to 100% of consolidated adjusted EBITDA.

Any borrowings under the Credit Facility bear interest, at the Company’s election, at either (i) an adjusted term Secured Overnight Financing Rate or adjusted daily Secured Overnight Financing Rate plus 0.10% plus a margin of either 0.75%, 1.00% or 1.25% depending on the Company’s net leverage ratio or (ii) an alternative base rate plus a margin of either 1.75%, 2.00% or 2.25%, depending on the Company’s net leverage ratio. The Company is required to pay a commitment fee on the undrawn portion of the aggregate commitments that accrue at either 0.20% or 0.375% per annum depending on the Company’s revolving credit exposure. Additionally, the Company is required to pay a participation fee on the account of each lender for each outstanding letter of credit at a rate equal to the applicable rate used to determine the interest rate applicable to term benchmark revolving loans.

The Credit Facility is secured by liens on substantially all of the Company’s assets, including certain intellectual property assets and investment securities. It requires the Company to maintain (i) a net leverage ratio of no greater than 3.25 to 1.00, subject to two increases up to 4.00 to 1.00 for a certain period following material acquisitions, and (ii) a fixed charge coverage ratio of no less than 1.35 to 1.00. As a result of the limitations contained in the Credit Facility, certain of the net assets on the Company’s consolidated balance sheet as of December 28, 2025 are restricted in use. The Company’s wholly owned subsidiaries are non-operating and have no restricted net assets within the meaning of Rule 4-08(e)(3) or Rule 12-04 of Regulation S-X. As of December 28, 2025, the Company was in compliance with all covenants under the JPMorgan Credit Facility.

As of December 28, 2025 and December 29, 2024, there were no outstanding amounts under the Credit Facility. During the fiscal years ended December 28, 2025, December 29, 2024 and December 31, 2023, the Company recognized interest expense related to draws on the respective revolving lines of credit of \$0, \$0 and \$7, respectively.

## 15. Common Stock

As of December 28, 2025, the Company’s amended and restated certificate of incorporation authorized the Company to issue 310,000,000 shares of common stock, par value \$0.0001 per share, of which 44,797,125 shares were issued and outstanding.

The voting, dividend and liquidation rights of the holders of the Company’s common stock are subject to and qualified by the rights, powers and preferences of the holders of the preferred stock, if any. Each share of the Company’s common stock is entitled to one vote on all matters submitted to a vote of the Company’s stockholders. Holders of the Company’s common stock are entitled to receive dividends as may be declared by the Company’s Board of Directors (the “Board of Directors”), if any, subject to the preferential dividend rights of preferred stock, if any. No cash dividends were declared or paid during the periods presented.

As of each balance sheet date, the Company had reserved shares of common stock for issuance in connection with the following:

	<b>December 28, 2025</b>	<b>December 29, 2024</b>
Options to purchase common stock	1,170,025	1,703,287
Restricted stock units (“RSUs”)	608,138	644,141
Performance stock units (“PSUs”)	362,903	238,764
Shares available for grant under the 2020 Equity Incentive Plan (“2020 Incentive Plan”) and 2020 Employee Stock Purchase Plan (“2020 ESPP”)	16,777,235	14,887,764
<b>Total</b>	<b>18,918,301</b>	<b>17,473,956</b>

## 16. Stock-Based Compensation

The Company recognized stock-based compensation expense and the related tax benefit as follows for the periods presented:

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
Cost of goods sold <sup>1</sup>	\$ 595	\$ 296	\$ 260
Selling, general and administrative expense <sup>2</sup>	11,794	9,972	7,157
<b>Total</b>	<b>\$ 12,389</b>	<b>\$ 10,268</b>	<b>\$ 7,417</b>

<b>Tax benefit</b>	<b>\$ 2,561</b>	<b>\$ 5,160</b>	<b>\$ 2,998</b>
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1. Includes \$89, \$18 and \$7 of expense related to the 2020 ESPP for the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, respectively.

2. Includes \$253, \$149 and \$97 of expense related to the 2020 ESPP for the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, respectively.

## Stock Option Activity

The following table summarizes stock option activity since December 29, 2024:

	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of December 29, 2024	1,703,287	\$ 14.30		\$ 39,264
Granted	—	\$ —		\$ —
Exercised	(507,473)	\$ 10.99		\$ 14,430
Cancelled/Forfeited	(25,789)	\$ 15.67		\$ 544
Outstanding as of December 28, 2025	1,170,025	\$ 15.70	4.8	\$ 18,978
Options exercisable as of December 28, 2025	1,024,624	\$ 15.80	4.5	\$ 16,539
Options vested and expected to vest as of December 28, 2025	1,170,025	\$ 15.70	4.8	\$ 18,978

The Company estimates the fair value of stock options on the date of grant using a Black-Scholes option-pricing valuation model, which uses the expected option term, stock price volatility, and the risk-free interest rate. The expected option term assumption reflects the period for which the Company believes the option will remain outstanding. The Company elected to use the simplified method to determine the expected option term, for all periods presented, which is the average of the option's vesting and contractual term. The Company's computation of expected volatility is based on the historical volatility of selected comparable publicly traded companies over a period equal to the expected term of the option. The risk-free interest rate reflects the U.S. Treasury yield curve for a similar instrument with the same expected term in effect at the time of the grant.

The following table summarizes the valuation model assumptions, fair values and intrinsic values of stock options during the fiscal years indicated:

	December 28, 2025	December 29, 2024	December 31, 2023
Expected term (in years)	—	—	6.0
Expected stock price volatility	—	—	27.8% - 29.2%
Risk-free interest rate	—	—	3.63% - 4.45%
Expected dividend yield	—	—	0%
Weighted average fair value at grant date	\$ —	\$ —	\$ 5.33
Fair value of stock options vested	\$ 992	\$ 3,229	\$ 3,160
Intrinsic value of stock options exercised	\$ 14,430	\$ 57,535	\$ 9,091
Proceeds from stock options exercised	\$ 5,577	\$ 13,680	\$ 776

As of December 28, 2025, total unrecognized stock-based compensation expense related to unvested stock options was \$161, which is expected to be recognized over a weighted-average period of 0.24 years.

### Restricted Stock Unit Activity

The following table summarizes RSU activity since December 29, 2024:

	Number of RSUs	Weighted- Average Grant Date Fair Value
Unvested as of December 29, 2024	644,141	\$ 19.28
Granted	325,316	\$ 32.08
Vested <sup>(1)</sup>	(316,335)	\$ 18.24
Forfeited	(44,984)	\$ 25.87
Unvested as of December 28, 2025	608,138	\$ 26.18

1. Includes 101,773 shares of common stock that were withheld to cover taxes on the release of vested RSUs and became available for future grants pursuant to the 2020 Incentive Plan.

As of December 28, 2025, total unrecognized stock-based compensation expense related to the Company's unvested RSU activity was \$10,327, which is expected to be recognized over a weighted-average period of 1.82 years.

The fair value of RSU shares vested during the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023 was \$5,771, \$3,681 and \$3,044, respectively.

### Performance Stock Unit Activity

In fiscal 2024, the Company granted PSUs to certain of its officers and employees. These PSUs vest at the end of a three-year period based upon the level of achievement of certain Company performance metrics and the recipient's continued service over such period. The number of shares that can be earned will range from 0% to 200% of the granted PSUs, based upon the Company's level of achievement of the stated performance metrics. The number of PSUs expected to vest and for which compensation cost has been recognized is based on the number of awards that the Company believes are probable to vest as of December 28, 2025.

The following table summarizes PSU activity since December 29, 2024:

	Number of PSUs	Weighted- Average Grant Date Fair Value
Unvested as of December 29, 2024	238,764	\$ 21.82
Granted	133,732	\$ 31.99
Forfeited	(9,593)	\$ 25.63
Unvested as of December 28, 2025	362,903	\$ 25.47

As of December 28, 2025, total unrecognized stock-based compensation expense related to the Company's unvested PSU activity was \$7,233, which is expected to be recognized over a weighted-average period of 1.65 years.

The fair value of PSU shares vested during the fiscal years ended December 28, 2025, December 29, 2024 and December 31, 2023 was \$0, as no shares have vested as of such periods.

**2020 Equity Incentive Plan:** In July 2020, the Board of Directors adopted the 2020 Incentive Plan, which was subsequently approved by the Company's stockholders and became effective on July 30, 2020. Initially, the maximum number of shares of the Company's common stock that may be issued under the 2020 Incentive Plan was 8,595,871 shares. The 2020 Incentive Plan provides that the number of shares reserved and available for issuance under the 2020 Incentive Plan will automatically increase each January 1, beginning on January 1, 2021 and ending on (and including) January 1, 2030, by an amount equal to 4% of the outstanding number of shares of common stock on the immediately preceding December 31 or such lesser number of shares as determined by the Board of Directors. As of December 28, 2025, 13,918,950 shares were available for future grants of the Company's common stock, which excludes 1,791,885 shares of common stock that were automatically added to the available reserve on January 1, 2026.

**Employee Stock Purchase Plan:** In July 2020, the Board of Directors adopted the 2020 ESPP, which was subsequently approved by the Company's stockholders and became effective on July 30, 2020. The 2020 ESPP authorizes the initial issuance of up to 900,000 shares of the Company's common stock to certain eligible employees or, as designated by the Board of Directors, employees of a related company. The 2020 ESPP provides that the number of shares reserved and available for issuance under the 2020 ESPP will automatically increase each January 1, beginning on January 1, 2021 and ending on (and including) January 1, 2030, by an amount equal to the lesser of (i) 1% of the outstanding number of shares of common stock on the immediately preceding December 31 and (ii) 900,000, or such lesser number of shares as determined by the Board of Directors. As of December 28, 2025, 2,858,285 shares of the Company's common stock were available for future issuance, which excludes 447,971 shares of common stock that were automatically added to the available reserve on January 1, 2026. The Board of Directors authorizes six-month offering periods, with the most recent beginning on November 16, 2025.

## 17. Income Taxes

The Company's income before income taxes is entirely derived from domestic sources for all periods presented:

	December 28, 2025	December 29, 2024	December 31, 2023
Domestic	\$ 91,264	\$ 67,538	\$ 32,201
Net income before income taxes	<u>\$ 91,264</u>	<u>\$ 67,538</u>	<u>\$ 32,201</u>

For the fiscal years ended December 28, 2025, December 29, 2024 and December 31, 2023, the provision for income taxes consisted of the following:

	December 28, 2025	December 29, 2024	December 31, 2023
Current:			
Federal	\$ 16,971	\$ 12,604	\$ 5,136
State	7,322	3,410	1,678
Total current income tax expense	24,293	16,014	6,814
Deferred:			
Federal	1,303	(1,603)	28
State	(614)	(261)	(207)
Total deferred income tax expense	689	(1,864)	(179)
Provision for income taxes	<u>\$ 24,982</u>	<u>\$ 14,150</u>	<u>\$ 6,635</u>

For the fiscal years ended December 28, 2025, December 29, 2024 and December 31, 2023, the income taxes paid by the Company, net of amounts refunded are as follows:

	December 28, 2025	December 29, 2024	December 31, 2023
Federal	\$ 18,479	\$ 13,298	\$ 4,646
State:			
California	2,199	1,608	328
All others	3,495	1,559	1,001
Total income taxes paid, net of amounts refunded	<u>\$ 24,173</u>	<u>\$ 16,465</u>	<u>\$ 5,975</u>

The reconciliation of the federal statutory income tax provision to the Company's effective income tax provision is as follows:

	December 28, 2025		December 29, 2024		December 31, 2023	
Net income before income taxes	\$ 91,264		\$ 67,538		\$ 32,201	
US federal statutory rate	19,165	21.0%	14,183	21.0%	6,762	21.0%
Current state and local income taxes, net of federal income tax effect <sup>(1)</sup>	4,301	4.7%	2,552	3.8%	1,117	3.5%
Tax credits	—	0.0%	—	0.0%	(238)	(0.7%)
Change in valuation allowance	(3)	(0.0%)	—	0.0%	84	0.3%
Nontaxable or nondeductible items:						
Nondeductible compensation	4,131	4.5%	7,851	11.6%	540	1.7%
Share-based payment awards	(3,456)	(3.8%)	(10,236)	(15.2%)	(1,636)	(5.1%)
Other nontaxable costs	(76)	(0.1%)	(168)	(0.2%)	(56)	(0.2%)
Changes in unrecognized tax benefits	1,100	1.2%	(82)	(0.1%)	58	0.2%
Other adjustments	(180)	(0.2%)	50	0.1%	4	0.0%
Provision for income taxes	<u>\$ 24,982</u>	<u>27.4%</u>	<u>\$ 14,150</u>	<u>21.0%</u>	<u>\$ 6,635</u>	<u>20.6%</u>

(1) State taxes in California, New Jersey and Florida made up greater than 50% of the tax effect in this category for the fiscal years ended December 28, 2025 and December 31, 2023 and state taxes in California and New Jersey made up greater than 50% of the tax effect in this category for the fiscal year ended December 29, 2024.

Deferred income taxes reflect the net tax effects of loss and credit carryforwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company's deferred income tax assets and liabilities as of December 28, 2025 and December 29, 2024 were comprised of the following:

	December 28, 2025	December 29, 2024
Deferred tax assets:		
Accrued expenses	\$ 5,598	\$ 5,226
Allowances and other reserves	183	173
Inventory	4,468	765
Net operating loss carryforwards	107	106
Stock-based compensation	2,236	1,921
ROU lease liability	13,641	4,599
Other	962	471
Total deferred tax assets	27,195	13,261
Less: Valuation allowance	(81)	(84)
Net deferred tax assets	<u>\$ 27,114</u>	<u>\$ 13,177</u>
Deferred tax liabilities:		
Prepaid expenses	\$ 1,079	\$ 776
Property and equipment	11,704	6,216
Operating and finance lease ROU assets	12,953	4,204
Intangible assets	682	582
Total deferred tax liabilities	<u>\$ 26,418</u>	<u>\$ 11,778</u>
Net deferred tax assets	<u>\$ 696</u>	<u>\$ 1,399</u>

A valuation allowance is required to be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Realization of deferred tax assets is dependent upon future earnings, the timing and amount of which are uncertain. A full review of all positive and negative evidence needs to be considered, including the Company's current and past performance, the market environments in which the Company operates, the utilization of past tax credits, the length of carry back and carry forward periods and tax planning strategies that might be implemented. Management considered the scheduled reversal of deferred tax liabilities and projected future taxable income in making this assessment.

The activity in the Company's deferred tax asset valuation allowance for the fiscal years ended December 28, 2025 and December 29, 2024 were as follows:

	<b>December 28, 2025</b>	<b>December 29, 2024</b>
Valuation allowance as of beginning of year	\$ 84	\$ 84
Increases recorded to income tax provision	(3)	—
Valuation allowance as of end of year	<u>\$ 81</u>	<u>\$ 84</u>

As of December 28, 2025, the Company had unrecognized tax benefits, which represent the aggregate tax effect of the differences between tax return positions and the benefits recognized in the Company's financial statements. At December 28, 2025, all of the unrecognized tax benefits, if recognized, would affect the Company's annual effective tax rate. The unrecognized tax benefits are long-term in nature and the Company does not anticipate the balance of the unrecognized tax benefits to change materially in the next 12 months.

	<b>December 28, 2025</b>	<b>December 29, 2024</b>
Gross tax contingencies as of beginning of year	\$ 415	\$ 654
Increase in gross tax contingencies	933	—
Decrease in gross tax contingencies	(174)	(239)
Gross tax contingencies as of end of year	<u>\$ 1,174</u>	<u>\$ 415</u>

As of December 28, 2025 and December 29, 2024, the Company had uncertain tax positions of \$1.7 million and \$0.6 million and deferred tax liabilities of \$1.1 million and \$0, respectively, under the heading "Other liabilities" in the consolidated balance sheets.

The Company files a U.S. federal income tax return, as well as income tax returns in various states. Tax years 2022 and forward remain open to examination by the tax jurisdictions to which the Company is subject, with certain state taxing jurisdictions being open back to 2019.

## 18. Net Income Per Share

Basic and diluted net income per share attributable to the Company's common stockholders were calculated as follows:

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
<b>Numerator:</b>			
Net income	\$ 66,282	\$ 53,388	\$ 25,566
<b>Denominator:</b>			
Weighted average common shares outstanding — basic	44,587,030	42,849,660	41,192,544
Weighted average effect of potentially dilutive securities:			
Effect of potentially dilutive stock options	752,018	1,753,780	1,994,774
Effect of potentially dilutive RSUs	312,550	353,040	107,577
Effect of potentially dilutive PSUs	343,830	156,719	—
Effect of potentially dilutive common stock issuable pursuant to the ESPP	24,179	13,929	17,941
Weighted average common shares outstanding — diluted	<u>46,019,607</u>	<u>45,127,128</u>	<u>43,312,836</u>
Net income per share attributable to Vital Farms, Inc. stockholders			
Basic	\$ 1.49	\$ 1.25	\$ 0.62
Diluted	<u>\$ 1.44</u>	<u>\$ 1.18</u>	<u>\$ 0.59</u>

The Company excluded the following shares of common stock, outstanding at each period end, from the computation of diluted net income per share attributable to Vital Farms, Inc. common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	Fiscal Year Ended		
	December 28, 2025	December 29, 2024	December 31, 2023
Options to purchase common stock	—	422	15,429
Unvested RSUs	431	4,318	8,362
Unvested PSUs	185	2,209	—
	<u>616</u>	<u>6,949</u>	<u>23,791</u>

## 19. Accumulated Other Comprehensive Income

The amounts reclassified from accumulated other comprehensive income ("AOCI") to the statements of income were as follows:

AOCI Component	Statement of Income Classification	Amounts Reclassified from AOCI		
		Fiscal Year Ended		
		December 28, 2025	December 29, 2024	December 31, 2023
Gains (losses) on available-for-sale securities	Other income, net	\$ 13	\$ (1)	\$ (182)
	Total before tax	13	(1)	(182)
	Tax expense	—	—	45
	Net of tax	<u>\$ 13</u>	<u>\$ (1)</u>	<u>\$ (137)</u>

The gross amount and related tax expense recorded in, and associated with, each component of other comprehensive income were as follows:

	Fiscal Year Ended								
	December 28, 2025			December 29, 2024			December 31, 2023		
	Before Tax	After Tax	After Tax	Before Tax	After Tax	After Tax	Before Tax	After Tax	After Tax
Available-for-sale securities:									
Unrealized net holding gain	\$ 68	\$ (17)	\$ 51	\$ 456	\$ (77)	\$ 379	\$ 1,371	\$ (338)	\$ 1,033
Amounts reclassified for realized gains (losses) to earnings	13	—	13	(1)	—	(1)	(182)	45	(137)
Total other comprehensive income	<u>\$ 55</u>	<u>\$ (17)</u>	<u>\$ 38</u>	<u>\$ 457</u>	<u>\$ (77)</u>	<u>\$ 380</u>	<u>\$ 1,553</u>	<u>\$ (383)</u>	<u>\$ 1,170</u>

## 20. Commitments and Contingencies

**Indemnification Agreements:** In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its Board of Directors and its executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. As of December 28, 2025, the Company has not incurred any material costs as a result of such indemnification agreements.

**Litigation:** The Company is subject to various claims and contingencies that are in the scope of ordinary and routine litigation incidental to its business, including those related to regulation, litigation, business transactions, employee-related matters and taxes, among others. When the Company becomes aware of a claim or potential claim, the likelihood of any loss or exposure is assessed. Based on these assessments and estimates, the Company may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from the Company's assessments and estimates.

Although the Company maintains insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions and caps on amounts recoverable. Even if the Company believes a claim is covered by insurance, insurers may dispute its entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of the Company's recovery. If it is probable that a loss will result and the amount of the loss can be reasonably estimated, the Company records a liability for the loss. If the loss is not probable or the amount of the loss cannot be reasonably estimated, the Company discloses the claim if the likelihood of a potential loss is reasonably possible.

## 21. Related Party Transactions

**Sandpebble Builders Preconstruction, Inc.:** The Company has utilized Sandpebble Builders Preconstruction, Inc. and Sandpebble South, Inc. (collectively "Sandpebble") for certain project management and related services associated with the construction and expansion of the Company's egg processing facilities, including certain limited project management and related services for Vital Crossroads, the Company's second egg washing and packing facility with onsite cold storage in Seymour, Indiana. Victor Canseco, the owner and principal of Sandpebble, is the father of Russell Diez-Canseco, the Company's President and Chief Executive Officer and a member of the Board of Directors. In connection with the services described above, the Company paid Sandpebble \$2,458, \$1,022, and \$631 during the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, respectively. Amounts paid to Sandpebble are included in property, plant and equipment, net and selling, general and administrative costs. As of the fiscal years ended December 28, 2025 and December 29, 2024, amounts owed to Sandpebble were \$136 and \$303, respectively, and are included in accounts payable and accrued liabilities.

## 22. 401(k) Savings Plan

The Company established a defined contribution savings plan in 2017 under Section 401(k) of the Internal Revenue Code of 1986, as amended. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the Board of Directors. During the fiscal years ended December 28, 2025, December 29, 2024, and December 31, 2023, the Company made contributions totaling \$2,067, \$1,472, and \$1,185 respectively, to the plan.

## 23. Segment Reporting

The Company has only one reportable segment for which discrete financial information is available: Eggs and Butter. The Company derives revenue in the United States and manages and organizes its business activities on a consolidated basis. The Eggs and Butter segment derives revenues primarily from sales of its products, including eggs and butter, to customers, which include natural retailers, mainstream retailers, distributors, and foodservice customers.

The accounting policies of the Eggs and Butter segment are the same as those described in the “Summary of Significant Accounting Policies” in Note 2 above. The Company’s chief operating decision maker (“CODM”) as defined by ASU 2023-07, currently the Company’s President and Chief Executive Officer, assesses performance for the segment and decides how to allocate resources based on net income that also is reported on the consolidated statements of income as consolidated net income. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets.

The CODM uses net income to evaluate income generated from net revenue in deciding whether to reinvest profits into the Eggs and Butter segment or for other valid corporate purposes. Net income is also used to monitor the Company’s forecasted budget versus actual results. The CODM also uses net income in competitive analysis by benchmarking to the Company’s competitors.

The following table presents the significant segment expenses and other segment items regularly reviewed by the Company’s CODM:

	<b>Eggs and Butter Segment</b>		
	<b>Fiscal Year Ended</b>		
	<b>December 28, 2025</b>	<b>December 29, 2024</b>	<b>December 31, 2023</b>
Net revenue	\$ 759,444	\$ 606,307	\$ 471,857
Less:			
Cost of goods sold <sup>(1)</sup>	460,673	364,097	300,127
Shipping and distribution	37,883	32,435	27,344
Marketing	41,330	32,138	23,625
Other selling, general & administrative <sup>(1)</sup>	117,341	100,992	77,017
Interest income	(5,013)	(5,246)	(2,542)
Interest expense	874	1,010	782
Depreciation and amortization	13,844	13,093	10,490
Income tax provision	24,982	14,150	6,635
Other segment expenses <sup>(2)</sup>	1,248	250	2,813
Segment net income	<u>\$ 66,282</u>	<u>\$ 53,388</u>	<u>\$ 25,566</u>

1. Excludes depreciation and amortization.

2. Other segment expenses included in segment net income includes the change in fair value of derivative instruments and other miscellaneous gains and losses.

## 24. Subsequent Events

On February 19, 2026, the Board of Directors authorized and approved entry into a stock repurchase program, which authorized the Company to periodically repurchase up to \$100.0 million of its common stock through February 19, 2028. Repurchases of common stock made under the stock repurchase plan shall be effected from time to time, including, without limitation, pursuant to one or more written repurchase plans intended to qualify for the protections of Rule 10b5-1 of the Exchange Act, open market transactions made in reliance on the Rule 10b-18 of the Exchange Act safe harbor, and/or similar arrangements.

On February 20, 2026, Matthew O’Hayer, the Company’s founder, Executive Chairperson and a member of the Company’s Board of Directors, informed the Company and the Board of his resignation as Executive Chairperson, as a member of the Board of Directors and as an employee, effective February 24, 2026. In connection with Mr. O’Hayer’s resignation, the Board of Directors decreased the size of the Board from nine to eight members and appointed Russell Diez-Canseco, the Company’s President and Chief Executive Officer and a member of the Board of Directors, to the additional role of Executive Chairperson effective February 24, 2026.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9A. Controls and Procedures**

### **Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 28, 2025.

Based on the evaluation of our disclosure controls and procedures as of December 28, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

### **Management’s Annual Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 28, 2025 based on the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of December 28, 2025.

### **Attestation Report of the Registered Public Accounting Firm**

KPMG LLP, the independent registered public accounting firm that audited the consolidated financial statements included in Item 8 of this Annual Report on Form 10-K, has issued an attestation report on the effectiveness of internal control over financial reporting as of December 28, 2025, which appears in the “Report of Independent Registered Public Accounting Firm” beginning on page 68 and is incorporated herein by reference.

### **Remediation of the Previously Reported Material Weakness**

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

As previously reported in Part II, Item 9A, “Controls and Procedures—Management’s Annual Report on Internal Control over Financial Reporting” in our Annual Report on Form 10-K for the fiscal year ended December 29, 2024, management identified a material weakness in the fiscal year ended December 29, 2024. Management identified that it did not effectively design, implement or operate certain process-level control activities related to the revenue process. Specifically, there were ineffective controls to ensure the accuracy of the inputs (e.g., price and/or quantity) in the sales order entry and invoicing processes impacting revenue and accounts receivable. Management concluded that this material weakness resulted primarily from ineffective risk assessment related to the selection and development of appropriate control activities in the revenue process due to not having a sufficient number of trained

resources with expertise in and responsibility for the design, implementation, operation, and documentation of internal control over financial reporting.

While these control deficiencies did not result in a material misstatement of our consolidated financial statements and related notes for the periods presented, there is a reasonable possibility that a material misstatement to the financial statements would not be prevented or detected on a timely basis.

We identified and implemented a remediation plan to address the control deficiencies that led to the material weakness, as follows:

(i) In addition to the additional resources that have already been hired, we have and will continue to evaluate skillset gaps and hire additional personnel, as needed, with an appropriate level of knowledge, training, and experience to appropriately analyze, record and disclose accounting matters timely and accurately, and to achieve accurate financial reporting and disclosures and effective internal control over financial reporting;

(ii) We have enhanced and will continue to enhance our risk assessment process to identify and assess risks of material misstatement and to ensure controls are designed and implemented to respond to those risks. We will continue to enhance risk assessment, specifically related to the revenue process; and

(iii) Within the revenue process, we have and will continue to design and implement controls to ensure the accuracy of the inputs in the sales order entry and invoicing processes, including the design of systematic checks and new reports to review inputs.

In addition, we strengthened our control environment through the completion of a multi-year transition to a new cloud-based enterprise resource planning system in fiscal year 2025.

The applicable measures have been implemented for a sufficient period of time, and management has concluded, through testing, that the enhanced controls are operating effectively. Management concluded that the material weakness was remediated as of December 28, 2025.

### **Changes in Internal Control over Financial Reporting**

Other than as described under “—Remediation of the Previously Reported Material Weakness” above, there were no changes in our internal control over financial reporting during the fiscal quarter ended December 28, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### **Inherent Limitations on Effectiveness of Controls**

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

The inherent limitations in all control systems include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

### **Item 9B. Other Information**

During the fiscal quarter ended December 28, 2025, certain of our directors or executive officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule-10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K, as set forth in the table below.

Name and Position	Action	Adoption/ Termination Date	Type of Trading Arrangement		Total Shares of Common Stock to be Sold	Total Shares of Common Stock to be Purchased	Expiration Date
			Rule 10b5-1*	Non-Rule 10b5-1**			
Kathryn McKeon, Chief Marketing Officer and General Manager, Butter	Adoption	November 21, 2025	X		23,050 <sup>(1)</sup>		December 31, 2026

\* Contract, instruction, or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

\*\* “Non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K under the Exchange Act.

(1) Includes up to 10,708 shares subject to RSUs previously granted to Ms. McKeon that will vest and be released to Ms. McKeon on or prior to March 13, 2026. The actual number of shares underlying such RSUs that will be released to Ms. McKeon and sold under the Rule 10b5-1 trading arrangement will be net of the number of shares withheld to satisfy tax withholding obligations arising from the vesting of such shares and is not determinable at this time.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not Applicable.

## Part III

### **Item 10. Directors, Executive Officers and Corporate Governance**

The information required by this item is incorporated by reference to the information set forth in the sections titled “Proposal 1 – Election of Directors,” “Executive Officers,” “Information Regarding the Board and Corporate Governance” and “Delinquent Section 16(a) Reports,” if any, in our proxy statement for our 2026 annual meeting of stockholders to be filed with the Securities and Exchange Commission, within 120 days after the end of our fiscal year ended December 28, 2025, or the 2026 Proxy Statement.

Information regarding our Code of Business Conduct and Ethics, or the Code of Conduct, required by this item will be contained in our 2026 Proxy Statement under the caption “Information Regarding the Board and Corporate Governance – Code of Business Conduct and Ethics,” and is hereby incorporated by reference. If and when we make any substantive amendments to the Code of Conduct or grant any waiver from a provision of the Code of Conduct to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website. The full text of our Code of Conduct is available at the Investor Relations section of our website at [vitalfarms.com](http://vitalfarms.com). The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be part of this Annual Report.

We have adopted an Amended and Restated Insider Trading Policy, or our Insider Trading Policy, governing the purchase, sale, and/or other dispositions of our securities by directors, officers and crew members that is reasonably designed to promote compliance with insider trading laws, rules and regulations, and any applicable listing standards. In addition, from time to time, Vital Farms may engage in transactions in our company’s securities. It is our company’s policy to comply with all applicable laws and regulations relating to insider trading. A copy of our Insider Trading Policy is filed as an exhibit to this Annual Report.

### **Item 11. Executive Compensation**

The information required by this item is incorporated by reference to the information set forth in the sections titled “Compensation Discussion and Analysis,” “Executive Officer and Director Compensation,” and “Pay Versus Performance” in our 2026 Proxy Statement.

### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item is incorporated by reference to the information set forth in the sections titled “Security Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information” in our 2026 Proxy Statement.

### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item is incorporated by reference to the information set forth in the sections titled “Transactions with Related Persons” and “Information Regarding the Board and Corporate Governance – Board Independence” in our 2026 Proxy Statement.

### **Item 14. Principal Accountant Fees and Services**

The information required by this item is incorporated by reference to the information set forth in Proposal 2 under the sections titled “Independent Registered Public Accounting Firm Fees” and “Pre-Approval Policies and Procedures” contained in our 2026 Proxy Statement.

## Part IV

### Item 15. Exhibit and Financial Statement Schedules

#### (a)(1) Financial Statements.

Reference is made to the financial statements included in Item 8 of Part II hereof.

#### (a)(2) Financial Statement Schedules.

All schedules have been omitted because they are not required or because the required information is given in the Financial Statements or Notes thereto.

#### (a)(3) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
3.1	<u>Amended and Restated Certificate of Incorporation, as currently in effect (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-39411), filed with the Securities and Exchange Commission (the "SEC") on August 4, 2020).</u>
3.2	<u>Amended and Restated Bylaws, as currently in effect (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-39411), filed with the SEC on November 17, 2023).</u>
3.3	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Vital Farms, Inc. (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-39411), filed with the SEC on June 17, 2025).</u>
4.1	<u>Form of Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1/A (File No. 333-239772), filed with the SEC on July 24, 2020).</u>
4.2	<u>Description of Registered Securities (incorporated by reference to Exhibit 4.3 to the Registrant's Annual Report on Form 10-K (File No. 001-39411) filed with the SEC on March 24, 2021).</u>
10.1+	<u>2013 Incentive Plan (incorporated herein by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-239772), filed with the SEC on July 9, 2020).</u>
10.2+	<u>Forms of Grant Notice, Stock Option Agreement and Stock Purchase Agreement under the 2013 Incentive Plan (incorporated herein by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-239772), filed with the SEC on July 9, 2020).</u>
10.3+	<u>2020 Equity Incentive Plan (incorporated herein by reference to Exhibit 4.8 to the Registrant's Registration on Form S-8 (File No. 333-240258), filed with the SEC on July 31, 2020).</u>
10.4+	<u>Forms of Grant Notice, Stock Option Agreement and Notice of Exercise under the 2020 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 (File No. 333-239772), filed with the SEC on July 9, 2020).</u>
10.5+	<u>Forms of Employee Restricted Stock Unit Grant Notice and Award Agreement under the 2020 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 (File No. 333-239772), filed with the SEC on July 9, 2020).</u>
10.6+	<u>Forms of Non-Employee Director Restricted Stock Unit Grant Notice and Award Agreement under the 2020 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 (File No. 333-239772), filed with the SEC on July 9, 2020).</u>
10.7+	<u>Form of Employee Performance-Vesting Restricted Stock Unit Grant Notice and Award Agreement under the 2020 Equity Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-39411), filed with the SEC on May 9, 2024).</u>
10.8+	<u>2020 Employee Stock Purchase Plan (incorporated herein by reference to Exhibit 4.12 to the Registrant's Registration on Form S-8 (File No. 333-240258), filed with the SEC on July 31, 2020).</u>
10.9+	<u>Form of Indemnity Agreement, by and between the Registrant and each director and executive officer (incorporated herein by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (File No. 333-239772), filed with the SEC on July 9, 2020).</u>
10.10+	<u>Amended and Restated Non-Employee Director Compensation Policy.</u>

- 10.11+ [Second Amended and Restated Employment Agreement between the Registrant and Russell Diez-Canseco, dated as of April 1, 2022 \(incorporated herein by reference to Exhibit 10.1 to the Registrant’s Quarterly Report on Form 10-Q \(File No. 001-39411\), filed with the SEC on May 5, 2022\).](#)
- 10.12+ [Offer Letter between the Registrant and Joanne Bal, dated as of March 5, 2021 \(incorporated herein by reference to Exhibit 10.12 to the Registrant’s Annual Report on Form 10-K \(File No. 001-39411\) filed with the SEC on March 10, 2022\).](#)
- 10.13+ [Offer Letter between the Registrant and Stephanie Coon, dated as of May 24, 2021 \(incorporated herein by reference to Exhibit 10.13 to the Registrant’s Annual Report on Form 10-K \(File No. 001-39411\) filed with the SEC on March 10, 2022\).](#)
- 10.14+ [Offer Letter between the Registrant and Kathryn McKeon, dated as of January 10, 2022 \(incorporated herein by reference to Exhibit 10.16 to the Registrant’s Annual Report on Form 10-K \(File No. 001-39411\) filed with the SEC on March 10, 2022\).](#)
- 10.15+ [Offer Letter between the Registrant and Thilo Wrede, dated as of February 4, 2023 \(incorporated herein by reference to Exhibit 10.13 to the Registrant’s Quarterly Report on Form 10-Q \(File. No. 001-39411\) filed with the SEC on May 4, 2023\).](#)
- 10.16+ [Offer Letter between the Registrant and Peter Pappas, dated as of October 30, 2020 \(incorporated herein by reference to Exhibit 10.15 to the Registrant’s Annual Report on Form 10-K \(File. No. 001-39411\) filed with the SEC on March 24, 2021\).](#)
- 10.17+ [Offer Letter between the Registrant and Joseph Holland, dated as of August 15, 2024 \(incorporated herein by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q \(File No. 001-39411\), filed with the SEC on November 7, 2024\).](#)
- 10.18+ [Offer Letter between the Registrant and Reena Van Hoven, dated as of August 15, 2024 \(incorporated herein by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q \(File No. 001-39411\) filed with the SEC on November 7, 2024\).](#)
- 10.19+ [Change in Control Severance Plan, effective March 31, 2022, and form of Participation Agreement \(incorporated herein by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q \(File No. 001-39411\), filed with the SEC on May 5, 2022\).](#)
- 10.20 [Credit Agreement, by and among the Registrant, the other Loan Parties party thereto, the Lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, dated as of April 9, 2024 \(incorporated herein by reference to Exhibit 10.2 to the Registrant’s Quarterly Report on Form 10-Q \(File No. 001-39411\), filed with the SEC on August 8, 2024\).](#)
- 19.1 [Amended and Restated Insider Trading Policy \(incorporated herein by reference to Exhibit 19.1 to the Registrant’s Annual Report on Form 10-K \(File No. 001-39411\), filed with the SEC on February 27, 2025\).](#)
- 21.1 [List of Subsidiaries of the Registrant \(incorporated herein by reference to Exhibit 21.1 to the Registrant’s Quarterly Report on Form 10-Q \(File No. 001-39411\) filed with the SEC on November 7, 2024\).](#)
- 23.1 [Consent of KPMG LLP, independent registered public accounting firm.](#)
- 31.1 [Certification of Principal Executive Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1\* [Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 97 [Incentive Compensation Recoupment Policy \(incorporated herein by reference to Exhibit 97 to the Registrant’s Annual Report on Form 10-K \(File No. 001-39411\), filed with the SEC on March 7, 2024\).](#)
- 101.INS Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents.
- 104 Cover Page formatted as Inline XBRL and contained within Exhibit 101.

+ Indicates a management contract or compensatory plan.

\* Furnished herewith and not deemed to be “filed” for purposes of Section 18 of the Exchange Act, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

**Item 16. Form 10-K Summary**

Not applicable.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### VITAL FARMS, INC.

Date: February 26, 2026

By: /s/ Russell Diez-Canseco

Name: Russell Diez-Canseco

Title: President and Chief Executive Officer

## POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Russell Diez-Canseco and Thilo Wrede, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Russell Diez-Canseco</u> Russell Diez-Canseco	President, Chief Executive Officer and Director (Principal Executive Officer)	February 26, 2026
<u>/s/ Thilo Wrede</u> Thilo Wrede	Chief Financial Officer (Principal Financial and Accounting Officer)	February 26, 2026
<u>/s/ Kofi Amoo-Gottfried</u> Kofi Amoo-Gottfried	Director	February 26, 2026
<u>/s/ William Cyr</u> William Cyr	Director	February 26, 2026
<u>/s/ Glenda Flanagan</u> Glenda Flanagan	Director	February 26, 2026
<u>/s/ Kelly Kennedy</u> Kelly Kennedy	Director	February 26, 2026
<u>/s/ Karl Khoury</u> Karl Khoury	Director	February 26, 2026
<u>/s/ Denny Marie Post</u> Denny Marie Post	Director	February 26, 2026
<u>/s/ Gisel Ruiz</u> Gisel Ruiz	Director	February 26, 2026





## EXECUTIVE OFFICERS

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### **RUSSELL DIEZ-CANSECO**

*President, Chief Executive Officer & Executive Chairperson*

### **JOANNE BAL**

*Chief Legal Officer, Corporate Secretary & Head of Impact*

### **STEPHANIE COON**

*Chief Strategy Officer*

### **JOSEPH HOLLAND**

*Chief Supply Chain Officer*

### **KATHRYN MCKEON**

*Chief Marketing Officer & General Manager, Butter*

### **PETER PAPPAS**

*Chief Sales Officer & President, Eggs*

### **REENA VAN HOVEN**

*Chief People Officer*

### **THILO WREDE**

*Chief Financial Officer*

## BOARD OF DIRECTORS

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### **RUSSELL DIEZ-CANSECO**

*President, Chief Executive Officer & Executive Chairperson  
Vital Farms, Inc.*

### **KOFI AMOO-GOTTFRIED**

*Chief Marketing Officer,  
DoorDash, Inc.*

### **WILLIAM CYR**

*Chief Executive Officer,  
Freshpet, Inc.*

### **GLENDA FLANAGAN**

*Former Executive Vice President & Senior Advisor,  
Whole Foods Market, Inc.*

### **KELLY KENNEDY**

*Chief Financial Officer,  
Willow Innovations, Inc.*

### **KARL KHOURY**

*Co-Founder & Partner,  
Arborview Capital*

### **DENNY MARIE POST**

*Former President & Chief Executive Officer,  
Red Robin Gourmet Burgers, Inc.*

### **GISEL RUIZ**

*Former Executive Vice President & Chief Operating Officer,  
Sam's West, Inc.*

## COMMON STOCK

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Vital Farm's common stock is listed on Nasdaq under the ticker symbol "VITL"

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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KPMG LLP

## TRANSFER AGENT

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Questions from stockholders of record regarding stock certificates, changes of address and other issues should be directed to: Equiniti Trust Company, LLC, 28 Liberty Street, Floor 53, New York, NY 10005 • (800) 937-5449 or (718) 921-8124 • [www.equiniti.com](http://www.equiniti.com)

## INVESTOR RELATIONS

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Information about Vital Farms, press releases, blog posts, and other investor information is available on our website at: [investors.vitalfarms.com](http://investors.vitalfarms.com). Stockholder inquiries can be sent via email to: [investors@vitalfarms.com](mailto:investors@vitalfarms.com).

## CORPORATE HEADQUARTERS

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3601 South Congress Avenue • Suite C100 • Austin, Texas 78704



## FORWARD-LOOKING STATEMENTS

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This Annual Report contains “forward-looking” statements (within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended) including but not limited to statements regarding Vital Farms’ anticipated future growth, ability to support its stakeholders, and market opportunity. These forward-looking statements are based on Vital Farms’ current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances that may cause Vital Farms’ actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement. Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those expected, including those risks and uncertainties identified in the section titled “Risk Factors” in the Form 10-K included in this Annual Report. Forward-looking statements represent Vital Farms’ beliefs and assumptions only as of the date of this Annual Report. Vital Farms disclaims any obligation to update these forward-looking statements.

