UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended **April 2, 2022**

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: 001-38879

BEYOND MEAT, INC.
(Exact name of registrant as specified in its charter)

Delaware	**26-4087597**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

119 Standard Street
El Segundo, CA 90245
(Address, including zip code, of principal executive offices)

(866) 756-4112
(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, $0.0001 par value	**BYND**	**The Nasdaq Stock Market LLC**

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 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 11, 2022, the registrant had 63,542,426 shares of common stock, $0.0001 par value per share, outstanding.

TABLE OF CONTENTS

Note Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the federal securities laws that involve risks and uncertainties concerning the business, products and financial results of Beyond Meat, Inc. (including its subsidiaries unless the context otherwise requires, "Beyond Meat," "we," "us," "our" or the "Company"). We have based these forward-looking statements largely on our current opinions, expectations, beliefs, plans, objectives, assumptions and projections about future events and financial trends affecting the operating results and financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- the effects of the COVID-19 pandemic on our business, financial condition, cash flows and results of operations, including on our supply chain, the demand for our products, our product and channel mix, labor needs at the Company as well as in the supply chain and at customers, the timing and level of retail purchasing, the timing and level of foodservice purchasing, our manufacturing and co-manufacturing facilities and operations, our inventory levels, our ability to expand and produce in new geographic markets or the timing of such expansion efforts, the pace and success of new product introductions, the timing of new foodservice launches, and on overall economic conditions and consumer confidence and spending levels;
- the impact of uncertainty in our domestic and international supply chain, including labor shortages and disruption and shipping delays and disruption;
- a resurgence of COVID-19 and the impact of variants of the virus that causes COVID-19, which could slow, halt or reverse the reopening process, or result in the reinstatement of social distancing measures, business closures, restrictions on operations, quarantines and travel bans;
- the impact of uncertainty as a result of doing business in China and Europe;
- government or employer mandates requiring certain behaviors from employees due to COVID-19, including COVID-19 vaccine mandates, which could result in employee attrition at the Company, suppliers and customers as well as difficulty securing future labor and supply needs;
- the impact of adverse and uncertain economic and political conditions in the U.S. and international markets;
- the volatility of capital markets and other macroeconomic factors, including due to geopolitical tensions or the outbreak of hostilities or war;
- our ability to effectively manage our growth in the United States and abroad;
- our ability to streamline operations and improve cost efficiencies, which could result in the contraction of our business and the implementation of significant cost cutting measures;
- our ability to identify and execute cost-down initiatives intended to achieve price parity with animal protein;
- the success of operations conducted by joint ventures, such as the Planet Partnership, LLC ("TPP") with PepsiCo, Inc., where we share ownership and management of a company with one or more parties who may not have the same goals, strategies or priorities as we do and where we do not receive all of the financial benefit;
- the effects of increased competition from our market competitors and new market entrants;
- changes in the retail landscape, including the timing and level of trade and promotion discounts, our ability to grow market share and increase household penetration, repeat purchases, buying rates (amount spent per buyer) and purchase frequency, and our ability to maintain and increase sales velocity of our products;
- changes in the foodservice landscape, including the timing and level of marketing and other financial incentives to assist in the promotion of our products, our ability to grow market share and attract and

retain new foodservice customers or retain existing foodservice customers, and our ability to introduce and sustain offering of our products on menus;

- the timing and success of distribution expansion and new product introductions in increasing revenues and market share;
- the timing and success of strategic Quick Service Restaurant (“QSR”) partnership launches and limited time offerings resulting in permanent menu items;
- our estimates of the size of our market opportunities and ability to accurately forecast market growth;
- our ability to effectively expand our manufacturing and production capacity, including effectively managing capacity for specific products;
- our ability to accurately forecast our future results of operations, including fluctuations in demand for our products and any increased competition;
- our ability to accurately forecast demand for our products and manage our inventory, including the impact of customer orders ahead of holidays and shelf reset activities, and supply chain and labor disruptions;
- our operational effectiveness and ability to fulfill orders in full and on time;
- variations in product selling prices and costs, and the mix of products sold;
- our ability to successfully enter new geographic markets, manage our international expansion and comply with any applicable laws and regulations, including risks associated with doing business in foreign countries, substantial investments in our manufacturing operations in China and the Netherlands, and our ability to comply with the U.S. Foreign Corrupt Practices Act (“FCPA”) or other anti-corruption laws;
- the effects of global outbreaks of pandemics or contagious diseases or fear of such outbreaks, such as COVID-19;
- the success of our marketing initiatives and the ability to grow brand awareness, maintain, protect and enhance our brand, attract and retain new customers and grow our market share;
- our ability to attract, maintain and effectively expand our relationships with key strategic foodservice partners;
- our ability to attract and retain our suppliers, distributors, co-manufacturers and customers;
- our ability to procure sufficient high-quality raw materials at competitive prices to manufacture our products, especially those impacted by the conflict in the Ukraine or problems in the global supply chain exacerbated by COVID-19 lockdowns in China;
- the availability of pea and other proteins that meets our standards;
- our ability to diversify the protein sources used for our products;
- our ability to differentiate and continuously create innovative products, respond to competitive innovation and achieve speed-to-market;
- our ability to successfully execute our strategic initiatives;
- the volatility associated with ingredient, packaging, transportation and other input costs;
- the impact of inflation across the economy, including higher food, grocery, raw materials, transportation, energy, labor and fuel costs;
- reduced consumer confidence and consumer spending, including spending to purchase our products; and negative trends in consumer purchasing patterns due to consumers’ disposable income, credit availability, debt levels and inflation;
- real or perceived quality or health issues with our products or other issues that adversely affect our brand and reputation;
- our ability to accurately predict consumer taste preferences, trends and demand and successfully innovate, introduce and commercialize new products and improve existing products, including in new geographic markets;
- significant disruption in, or breach in security of our information technology systems and resultant interruptions in service and any related impact on our reputation, including related to data privacy;

- the ability of our transportation providers to ship and deliver our products in a timely and cost effective manner;
- management and key personnel changes, the attraction, training and retention of qualified employees and key personnel and our ability to maintain our company culture;
- risks related to use of a professional employer organization to administer human resources, payroll and employee benefits functions for certain of our international employees, and use of certain third party service providers for the performance of several business operations including payroll and human capital management services;
- the effects of natural or man-made catastrophic or severe weather events particularly involving our or any of our co-manufacturers' manufacturing facilities or our suppliers' facilities;
- the impact of marketing campaigns aimed at generating negative publicity regarding our products, brand and the plant-based industry category;
- the effectiveness of our internal controls;
- accounting estimates based on judgment and assumptions that may differ from actual results;
- the requirements of being a public company and effects of increased administration costs related to compliance and reporting obligations;
- our significant indebtedness and ability to repay such indebtedness;
- risks related to our debt, including limitations on our cash flow from operations and our ability to satisfy our obligations under the convertible senior notes; our ability to raise the funds necessary to repurchase the convertible senior notes for cash, under certain circumstances, or to pay any cash amounts due upon conversion; provisions in the indenture governing the convertible senior notes delaying or preventing an otherwise beneficial takeover of us; and any adverse impact on our reported financial condition and results from the accounting methods for the convertible senior notes;
- estimates of our expenses, future revenues, capital expenditures, capital requirements and our needs for additional financing;
- our ability to meet our obligations under our campus innovation and headquarters lease ("Campus Lease"), the timing of occupancy and completion of the build-out of our space, cost overruns, delays and the impact of COVID-19 on our space demands;
- our ability to meet our obligations under leases for our corporate offices, manufacturing facilities and warehouses;
- changes in laws and government regulation affecting our business, including the U.S. Food and Drug Administration ("FDA") and the U.S. Federal Trade Commission ("FTC") governmental regulation, and state, local and foreign regulation;
- new or pending legislation, or changes in laws, regulations or policies of governmental agencies or regulators, both in the U.S. and abroad, affecting plant-based meat, the labeling or naming of our products, or our brand name or logo;
- the failure of acquisitions and other investments to be efficiently integrated and produce the results we anticipate;
- risks inherent in investment in real estate;
- the financial condition of, and our relationships with our suppliers, co-manufacturers, distributors, retailers, and foodservice customers, and their future decisions regarding their relationships with us;
- our ability and the ability of our suppliers and co-manufacturers to comply with food safety, environmental or other laws or regulations;
- seasonality, including increased levels of purchasing by customers ahead of holidays, customer shelf reset activity and the timing of product restocking by our retail customers;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs, and service our indebtedness and our ability to access capital markets upon favorable terms, including due to rising interest rates;
- economic conditions and the impact on consumer spending;

- the impact of increased scrutiny from stakeholders, institutional investors and governmental bodies on environmental, social and governance ("ESG") practices, including expanding mandatory and voluntary reporting, diligence and disclosure on ESG matters;
- the outcomes of legal or administrative proceedings, or new legal or administrative proceedings filed against us;
- our, our suppliers' and our co-manufacturers' ability to protect our proprietary technology, intellectual property and trade secrets adequately;
- the impact of tariffs and trade wars;
- the impact of changes in tax laws;
- foreign exchange rate fluctuations; and
- the risks discussed in Part I, Item 1A, "Risk Factors," included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the Securities and Exchange Commission (the "SEC") on March 2, 2022 (the "2021 10-K"), Part II, Item 1A, "Risk Factors," included herein, and those discussed in other documents we file from time to time with the SEC.

In some cases, you can identify forward-looking statements by the use of words such as "believe," "may," "will," "will continue," "could," "will likely result," "estimate," "continue," "anticipate," "intend," "plan," "predict," "project," "expect," "potential" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. These forward-looking statements are based on our current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results to differ materially from those anticipated or implied in the forward-looking statements.

This report also contains estimates and other statistical data obtained from independent parties and by us relating to market size and growth and other data about our industry and ultimate consumers. The number of retail and foodservice outlets are derived from data through March 2022. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and data.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this report. You should not put undue reliance on any forward-looking statements. We assume no obligation to publicly update or revise any forward-looking statements because of new information, future events, changes in assumptions or otherwise, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

"Beyond Meat," "Beyond Burger," "Beyond Beef," "Beyond Sausage," "Beyond Breakfast Sausage," "Beyond Meatballs," "Beyond Chicken," the Caped Steer Logo, and "Eat What You Love," are registered or pending trademarks of Beyond Meat, Inc. in the United States and, in some cases, in certain other countries. All other brand names or trademarks appearing in this report are the property of their respective holders. Solely for convenience, the trademarks and trade names contained herein are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

Part I. Financial Information

ITEM I. FINANCIAL STATEMENTS

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(unaudited)

	April 2, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 547,858	$ 733,294
Accounts receivable, net	52,675	43,806
Inventory	283,754	241,870
Prepaid expenses and other current assets	33,010	33,078
Total current assets	$ 917,297	$ 1,052,048
Property, plant, and equipment, net	241,389	226,489
Operating lease right-of-use assets	25,692	26,815
Prepaid lease costs, non-current	96,166	59,188
Other non-current assets, net	6,613	6,836
Investment in unconsolidated joint venture	7,353	8,023
Total assets	$ 1,294,510	$ 1,379,399
Liabilities and Stockholders' Equity:		
Current liabilities:		
Accounts payable	$ 67,387	$ 69,040
Wages payable	3,406	155
Accrued bonus	2,754	128
Current portion of operating lease liabilities	4,454	4,458
Accrued expenses and other current liabilities	22,807	20,226
Short-term finance lease liabilities	183	182
Total current liabilities	$ 100,991	$ 94,189
Long-term liabilities:		
Convertible senior notes, net	$ 1,130,657	$ 1,129,674
Operating lease liabilities, net of current portion	21,485	22,599
Finance lease obligations and other long term liabilities	396	442
Total long-term liabilities	$ 1,152,538	$ 1,152,715
Commitments and Contingencies (Note 10)		

(continued on the next page)

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(unaudited)

	April 2, 2022	December 31, 2021
Stockholders' equity:		
Preferred stock, par value $0.0001 per share—500,000 shares authorized, none issued and outstanding	$ —	$ —
Common stock, par value $0.0001 per share—500,000,000 shares authorized; 63,525,399 and 63,400,899 shares issued and outstanding at April 2, 2022 and December 31, 2021, respectively	6	6
Additional paid-in capital	519,681	510,014
Accumulated deficit	(477,430)	(376,972)
Accumulated other comprehensive loss	(1,276)	(553)
Total stockholders' equity	$ 40,981	$ 132,495
Total liabilities and stockholders' equity	$ 1,294,510	$ 1,379,399

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(unaudited)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net revenues	$ 109,455	$ 108,164
Cost of goods sold	109,265	75,456
Gross profit	190	32,708
Research and development expenses	19,678	15,925
Selling, general and administrative expenses	75,114	38,954
Restructuring expenses	3,026	2,474
Total operating expenses	97,818	57,353
Loss from operations	(97,628)	(24,645)
Other (expense) income, net:		
Interest expense	(1,025)	(629)
Other, net	(1,124)	(1,570)
Total other expense, net	(2,149)	(2,199)
Loss before taxes	(99,777)	(26,844)
Income tax expense	10	48
Equity in losses of unconsolidated joint venture	671	374
Net loss	$ (100,458)	$ (27,266)
Net loss per share available to common stockholders—basic and diluted	$ (1.58)	$ (0.43)
Weighted average common shares outstanding—basic and diluted	63,465,205	62,941,748

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Loss
(In thousands)
(unaudited)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net loss	$ (100,458)	$ (27,266)
Other comprehensive loss, net of tax:		
Foreign currency translation loss, net of tax	(723)	(1,258)
Comprehensive loss, net of tax	$ (101,181)	$ (28,524)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share data)
(unaudited)

	Common Stock										
	Shares		Amount		Additional Paid-in Capital		Accumulated Deficit		Accumulated Other Comprehensive Income		Total
Balance at December 31, 2020	62,820,351	$	6	$	560,210	$	(194,867)	$	1,748	$	367,097
Net loss	—		—		—		(27,266)		—		(27,266)
Issuance of common stock under equity incentive plans, net	188,183		—		2,048		—		—		2,048
Purchase of capped calls related to convertible senior notes	—		—		(83,950)		—		—		(83,950)
Share-based compensation for equity classified awards	—		—		7,376		—		—		7,376
Foreign currency translation adjustment	—		—		—		—		(1,258)		(1,258)
Balance at April 3, 2021	63,008,534	$	6	$	485,684	$	(222,133)	$	490	$	264,047

	Common Stock										
	Shares		Amount		Additional Paid-in Capital		Accumulated Deficit		Accumulated Other Comprehensive Loss		Total
Balance at December 31, 2021	63,400,899	$	6	$	510,014	$	(376,972)	$	(553)	$	132,495
Net loss	—		—		—		(100,458)		—		(100,458)
Issuance of common stock under equity incentive plans, net	124,500		—		375		—		—		375
Share-based compensation for equity classified awards	—		—		9,292		—		—		9,292
Foreign currency translation adjustment	—		—		—		—		(723)		(723)
Balance at April 2, 2022	63,525,399	$	6	$	519,681	$	(477,430)	$	(1,276)	$	40,981

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Cash flows from operating activities:		
Net loss	$ (100,458)	$ (27,266)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,091	4,326
Non-cash lease expense	1,118	724
Share-based compensation expense	9,292	7,376
Loss on sale of fixed assets	315	3
Amortization of debt issuance costs	984	369
Loss on extinguishment of debt	—	1,037
Equity in losses of unconsolidated joint venture	671	374
Net change in operating assets and liabilities:		
Accounts receivable	(9,108)	(963)
Inventories	(43,043)	(24,729)
Prepaid expenses and other assets	(213)	(2,877)
Accounts payable	(2,295)	1,098
Accrued expenses and other current liabilities	8,527	10,689
Prepaid lease costs, non-current	(36,978)	—
Operating lease liabilities	(1,113)	(818)
Net cash used in operating activities	$ (165,210)	$ (30,657)
Cash flows from investing activities:		
Purchases of property, plant and equipment	$ (21,548)	$ (23,363)
Return (payment) of security deposits	49	(18)
Net cash used in investing activities	$ (21,499)	$ (23,381)
Cash flows from financing activities:		
Proceeds from issuance of convertible senior notes	$ —	$ 1,150,000
Purchase of capped calls related to convertible senior notes	—	(83,950)
Debt issuance costs	—	(23,150)
Repayment of revolving credit facility	—	(25,000)
Principal payments under finance lease obligations	(45)	(36)
Proceeds from exercise of stock options	815	2,861
Payments of minimum withholding taxes on net share settlement of equity awards	(439)	(812)
Net cash provided by financing activities	$ 331	$ 1,019,913

(continued on the next page)

BEYOND MEAT, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(In thousands)

(unaudited)

	Three Months Ended	
	April 2, 2022	April 3, 2021
Net (decrease) increase in cash and cash equivalents	$ (186,378)	$ 965,875
Effect of exchange rate changes on cash	942	15
Cash and cash equivalents at the beginning of the period	733,294	159,127
Cash and cash equivalents at the end of the period	$ 547,858	$ 1,125,017
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 17	$ 297
Taxes	$ 52	$ 48
Non-cash investing and financing activities:		
Issuance costs of convertible senior notes, accrued not yet paid	$ —	$ 455
Non-cash additions to property, plant and equipment	$ 6,874	$ 8,148
Non-cash additions to financing leases	$ —	$ 580
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ —	$ 105
(concluded)		

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BEYOND MEAT, INC. AND SUBSIDIARIES
Notes to Unaudited Condensed Consolidated Financial Statements

Note 1. Introduction

The Company

Beyond Meat, Inc., a Delaware corporation (including its subsidiaries unless the context otherwise requires, the "Company"), is a leading plant-based meat company offering a portfolio of revolutionary plant-based meats. The Company builds meat directly from plants, an innovation that enables consumers to experience the taste, texture and other sensory attributes of popular animal-based meat products while enjoying the nutritional and environmental benefits of eating the Company's plant-based meat products. The Company's brand commitment, "Eat What You Love," represents a strong belief that there is a better way to feed our future and that the positive choices we all make, no matter how small, can have a great impact on our personal health and the health of our planet. By shifting from animal-based meat to plant-based protein, we can positively impact four growing global issues: human health, climate change, constraints on natural resources and animal welfare.

As of April 2, 2022, approximately 89.5% of the Company's assets were located in the United States.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The global spread and unprecedented impact of COVID-19 continues to create significant volatility, uncertainty and economic disruption. The Company's operations and its financial results including net revenues, gross profit, gross margin and operating expenses were negatively impacted by COVID-19 in 2020, 2021 and the first quarter of 2022. The extent of COVID-19's effect on the Company's operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic (including any resurgences), the impact of variants of the virus that causes COVID-19, the wide distribution and public acceptance of COVID-19 vaccines, labor needs at the Company as well as in the supply chain and at customers, compliance with government or employer COVID-19 vaccine mandates and the resulting impact on available labor, and the level of social and economic restrictions imposed in the United States and abroad in an effort to curb the spread of the virus, all of which are uncertain and difficult to predict. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Company's business, results of operations, financial condition or liquidity. While the ultimate health and economic impact of COVID-19 continues to be highly uncertain, the Company expects that the adverse impact of COVID-19 on its business and results of operations, including its net revenues, gross profit, gross margin, earnings and cash flows, will continue into 2022. Future events and effects related to the COVID-19 pandemic cannot be determined with precision and actual results could significantly differ from estimates or forecasts.

Note 2. Summary of Significant Accounting Policies

A detailed description of the Company's significant accounting policies can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 2, 2022 ("2021 10-K"). There have been no material changes in the Company's significant accounting policies from those that were disclosed in the 2021 10-K, except as noted below.

Basis of Presentation

The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of the Company’s financial position and of the results of operations and cash flows for the periods presented. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2022 or for any other interim period or for any other future fiscal year. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in the 2021 10-K. The condensed consolidated balance sheet as of December 31, 2021 has been derived from the audited financial statements at that date.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated.

Management’s Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain 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. Significant accounting estimates made by the Company include trade promotion accruals; useful lives of property, plant and equipment; valuation of deferred tax assets; valuation of inventory; incremental borrowing rate used to determine operating lease right-of-use assets and operating lease liabilities; assessment of contract-based factors, asset-based factors, entity-based factors and market-based factors to determine the lease term impacting right-of-use assets and lease liabilities; the valuation of the fair value of stock options used to determine share-based compensation expense; and loss contingency accruals in connection with claims, lawsuits and administrative proceedings. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results could differ from those estimates and such differences may be material to the financial statements.

Foreign Currency

Foreign currency translation losses, net of tax, reported as cumulative translation adjustments through “Other comprehensive loss” were $0.7 million and $1.3 million for the three months ended April 2, 2022 and April 3, 2021, respectively. Realized and unrealized foreign currency transaction losses, net included in “Other, net” were $1.1 million and $0.3 million during the three months ended April 2, 2022 and April 3, 2021, respectively.

Fair Value of Financial Instruments

The Company had no financial instruments measured at fair value on a recurring basis as of April 2, 2022 and December 31, 2021.

There were no transfers of financial assets or liabilities into or out of Level 1, Level 2 or Level 3 for the three months ended April 2, 2022.

Revenue Recognition

At the end of each accounting period, the Company recognizes a contra asset to accounts receivable for estimated sales discounts that have been incurred but not paid which totaled $4.3 million and

$3.6 million as of April 2, 2022 and December 31, 2021, respectively. The offsetting charge is recorded as a reduction of revenues in the same period when the expense is incurred.

Presentation of Net Revenues by Channel

The following table presents the Company's net revenues by channel:

	Three Months Ended	
(in thousands)	April 2, 2022	April 3, 2021
U.S.:		
Retail	$ 68,260	$ 63,826
Foodservice	15,493	16,742
U.S. net revenues	83,753	80,568
International:		
Retail	16,137	17,199
Foodservice	9,565	10,397
International net revenues	25,702	27,596
Net revenues	$ 109,455	$ 108,164

One customer and one distributor accounted for approximately 12% and 10% of the Company's gross revenues, respectively, in the three months ended April 2, 2022; and one customer accounted for approximately 11% of the Company's gross revenues in the three months ended April 3, 2021. No other customer or distributor accounted for more than 10% of the Company's gross revenues in the three months ended April 2, 2022 and April 3, 2021.

Investment in Joint Venture

The Company uses the equity method of accounting to record transactions associated with its joint venture when the Company shares in joint control of the investee. Investment in joint venture is not consolidated but is recorded in "Investment in unconsolidated joint venture" in the Company's condensed consolidated balance sheets. The Company recognizes its portion of the investee's results in "Equity in losses of unconsolidated joint venture" in its condensed consolidated statements of operations. The Company eliminates its proportionate interest in any intra-entity profits or losses in the inventory of the investee at the end of the reporting period and recognizes its portion of the profit and losses when realized by the investee.

Shipping and Handling Costs

Outbound shipping and handling costs included in selling, general and administrative ("SG&A") expenses in the three months ended April 2, 2022 and April 3, 2021 were $5.9 million and $3.3 million, respectively.

Recently Adopted Accounting Pronouncements

None.

Note 3. Restructuring

In May 2017, management approved a plan to terminate the Company's exclusive supply agreement (the "Agreement") with one of its co-manufacturers, due to non-performance under the Agreement and on May 23, 2017, the Company notified the co-manufacturer of its decision to terminate the Agreement. In the three months ended April 2, 2022 and April 3, 2021, the Company recorded $3.0 million and

$2.5 million, respectively, in restructuring expenses related to this dispute, which consisted primarily of legal and other expenses. See Note 10 for further information. As of April 2, 2022 and December 31, 2021, the Company had $1.3 million and $2.7 million, respectively, in accrued and unpaid restructuring expenses.

Note 4. Leases

Leases are classified as either finance leases or operating leases based on criteria in Accounting Standards Codification 842. The Company has operating leases for its corporate offices, including its Manhattan Beach Project Innovation Center where the Company's research and development facility is located, its manufacturing facilities, commercialization center, warehouses and vehicles, and to a lesser extent, certain equipment and finance leases. Such leases generally have original lease terms between two years and 12 years, and often include one or more options to renew. Some leases also include early termination options, which can be exercised under specific conditions. The Company includes options to extend the lease term if the options are reasonably certain of being exercised. The Company currently considers its renewal options to be reasonably certain to be exercised. The Company does not have residual value guarantees or material restrictive covenants associated with its leases.

On January 14, 2021, the Company entered into the Campus Lease, a 12-year lease with two 5-year renewal options to house its corporate headquarters, lab and innovation space in El Segundo, California. The Company has not recognized an asset or a liability for the Campus Lease in its consolidated balance sheet as of April 2, 2022 because there was no lease commencement during the three months ended April 2, 2022. Therefore, the Campus Lease is not included in the tables below.

Lease costs for operating and finance leases were as follows:

		Three Months Ended	
(in thousands)	**Statement of Operations Location**	**April 2, 2022**	**April 3, 2021**
Operating lease cost:			
Lease cost	Cost of goods sold	$ 611	$ 539
Lease cost	Research and development expenses	514	148
Lease cost	Selling, general and administrative expenses	1,003	197
Variable lease cost(1)	Cost of goods sold	152	28
Operating lease cost		$ 2,280	$ 912
Short-term lease cost	Selling, general and administrative expenses	$ 147	$ 26
Finance lease cost:			
Amortization of right-of use assets	Cost of goods sold	$ 45	$ 37
Interest on lease liabilities	Interest expense	24	5
Finance lease cost		$ 69	$ 42
Total lease cost(2)		$ 2,496	$ 980

(1) Variable lease cost primarily consists of common area maintenance, such as cleaning and repairs.
(2) Excludes Campus Lease. See Note 10.

Supplemental balance sheet information as of April 2, 2022 and December 31, 2021 related to leases are as follows:

(in thousands)	Balance Sheet Location	April 2, 2022	December 31, 2021
Assets[1]			
Operating leases	Operating lease right-of-use assets	$ 25,692	$ 26,815
Finance leases, net	Property, plant and equipment, net	570	615
Total lease assets		$ 26,262	$ 27,430
Liabilities[1]			
Current:			
Operating lease liabilities	Current portion of operating lease liabilities	$ 4,454	$ 4,458
Finance lease liabilities	Short-term finance lease liabilities	183	182
Long-term:			
Operating lease liabilities	Operating lease liabilities, net of current portion	21,485	22,599
Finance lease liabilities	Finance lease obligations and other long-term liabilities	396	442
Total lease liabilities		$ 26,518	$ 27,681

(1) Excludes Campus Lease. See Note 10.

The following is a schedule by year of the maturities of lease liabilities with original terms in excess of one year, as of April 2, 2022:

	April 2, 2022	
(in thousands)	Operating Leases[1]	Finance Leases
Remainder of 2022	$ 4,148	$ 145
2023	5,287	181
2024	3,542	146
2025	2,969	115
2026	2,831	10
Thereafter	12,983	—
Total undiscounted future minimum lease payments	31,760	597
Less imputed interest	(5,821)	(18)
Total discounted future minimum lease payments	$ 25,939	$ 579

(1) Excludes Campus Lease. See Note 10.

Weighted average remaining lease terms and weighted average discount rates were:

	April 2, 2022	
	Operating Leases(1)	Finance Leases
Weighted average remaining lease term (years)	8.3	3.4
Weighted average discount rate	4.5 %	2.3 %

(1) Excludes Campus Lease. See Note 10.

Note 5. Inventories

Major classes of inventory were as follows:

(in thousands)	April 2, 2022	December 31, 2021
Raw materials and packaging	$ 132,209	$ 129,974
Work in process	65,310	50,227
Finished goods	86,235	61,669
Total	$ 283,754	$ 241,870

Note 6. Property, Plant and Equipment

Property, plant, and equipment are stated at cost and finance lease assets are included. A summary of property, plant, and equipment as of April 2, 2022 and December 31, 2021, is as follows:

(in thousands)	April 2, 2022	December 31, 2021
Manufacturing equipment	$ 125,489	$ 115,412
Research and development equipment	16,861	16,837
Leasehold improvements	20,343	20,250
Building	22,819	22,937
Finance leases	867	867
Software	1,348	1,297
Furniture and fixtures	867	868
Vehicles	584	584
Land	5,407	5,434
Assets not yet placed in service	106,969	95,455
Total property, plant and equipment	$ 301,554	$ 279,941
Less: accumulated depreciation and amortization	60,165	53,452
Property, plant and equipment, net	$ 241,389	$ 226,489

Depreciation and amortization expense for the three months ended April 2, 2022 and April 3, 2021 was $7.1 million and $4.3 million, respectively. Of the total depreciation and amortization expense in the three months ended April 2, 2022 and April 3, 2021, $6.0 million and $3.4 million, respectively, were recorded in cost of goods sold, $1.0 million and $0.9 million, respectively, were recorded in research and development expenses, and $0.1 million and $0, respectively, were recorded in SG&A expenses in the Company's condensed consolidated statements of operations.

The Company concluded that no property, plant and equipment met the criteria for assets held for sale as of April 2, 2022 and December 31, 2021. Previous amounts classified as assets held for sale were sold for amounts that approximated book value for which a note receivable of $3.8 million, net of payments received, had been recorded. The note receivable is included in “Other non-current assets, net” in the Company’s condensed consolidated balance sheet at April 2, 2022 and December 31, 2021.

Note 7. Debt

The following is a summary of debt balances as of April 2, 2022 and December 31, 2021:

(in thousands)	April 2, 2022	December 31, 2021
Convertible senior notes	$ 1,150,000	$ 1,150,000
Debt issuance costs	(19,343)	(20,326)
Long-term debt	$ 1,130,657	$ 1,129,674

Convertible Senior Notes

On March 5, 2021, the Company issued $1.0 billion aggregate principal amount of its 0% Convertible Senior Notes due 2027 (the “Convertible Notes”) in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. On March 12, 2021, the initial purchasers of the Convertible Notes exercised their option to purchase an additional $150.0 million aggregate principal amount of the Company’s 0% Convertible Senior Notes due 2027 (the “Additional Notes,” and together with the Convertible Notes, the “Notes”), and such Additional Notes were issued on March 16, 2021.

The total amount of debt issuance costs of $23.6 million was recorded as a reduction to “Convertible senior notes, net” in the condensed consolidated balance sheet and are being amortized as interest expense over the term of the Notes using the effective interest method. During the three months ended April 2, 2022 and April 3, 2021, the Company recognized $1.0 million and $0.3 million, respectively, in interest expense related to the amortization of the debt issuance costs related to the Notes.

The following is a summary of the Company’s Notes as of April 2, 2022:

				Fair Value	
(in thousands)	Principal Amount	Unamortized Issuance Costs	Net Carrying Amount	Amount	Leveling
0% Convertible senior notes due on March 15, 2027	$1,150,000	$19,343	$1,130,657	$688,563	Level 2

The Notes are carried at face value less the unamortized debt issuance costs on the Company’s condensed consolidated balance sheets. As of April 2, 2022, the estimated fair value of the Notes was approximately $0.7 billion. The Notes are quoted on the Intercontinental Exchange and are classified as Level 2 financial instruments. The estimated fair value of the Notes was determined based on the actual bid price of the Notes on April 1, 2022, the last business day of the period.

As of April 2, 2022, the remaining life of the Notes is approximately 5.0 years.

Revolving Credit Facility

On March 2, 2021, the Company terminated its secured revolving credit agreement, dated as of April 21, 2020 (the “Credit Agreement”).

The Company recorded debt issuance costs on the revolving credit facility in “Prepaid and other non-current assets, net” in the accompanying condensed consolidated balance sheet. Debt issuance costs associated with the revolving credit facility were amortized as interest expense over the term of the loan for which amortization of $0 and $40,800, respectively, was recorded during the three months ended April 2, 2022 and April 3, 2021.

In the three months ended April 2, 2022 and April 3, 2021, the Company incurred $0 and $0.3 million, respectively, in interest expense related to its bank credit facilities.

Upon termination of the revolving credit facility, unamortized debt issuance costs of $1.0 million associated with the revolving credit facility were written off as “Loss on extinguishment of debt,” which is included in “Other, net” in the condensed consolidated statement of operations.

Concurrent with the Company’s execution of the Campus Lease, as a security deposit, the Company delivered to the landlord a letter of credit under the revolving credit facility in the amount of $12.5 million. Upon termination of the revolving credit facility, the letter of credit continued in effect, unsecured.

Note 8. Stockholders’ Equity

As of April 2, 2022, the Company’s shares consisted of 500,000,000 authorized shares of common stock, par value $0.0001 per share, of which 63,525,399 shares of common stock were issued and outstanding, and 500,000 authorized shares of preferred stock, par value $0.0001 per share, of which no shares were issued and outstanding.

As of December 31, 2021, the Company’s shares consisted of 500,000,000 authorized shares of common stock, par value $0.0001 per share, of which 63,400,899 shares were issued and outstanding, and 500,000 authorized shares of preferred stock, par value $0.0001 per share, of which no shares were issued and outstanding.

The Company has not declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock.

Note 9. Share-Based Compensation

In 2019, the Company’s 2011 Equity Incentive Plan (“2011 Plan”) was amended, restated and re-named the 2018 Equity Incentive Plan (the “2018 Plan”), and the remaining shares available for issuance under the 2011 Plan were added to the shares reserved for issuance under the 2018 Plan. As of January 1, 2022, the maximum aggregate number of shares that may be issued under the 2018 Plan increased to 20,915,919 shares, which includes an increase of 2,144,521 shares effective January 1, 2022 under the terms of the 2018 Plan.

The following table summarizes the shares available for grant under the 2018 Plan:

	Shares Available for Grant
Balance - December 31, 2021	6,515,807
Authorized	2,144,521
Granted	(966,978)
Shares withheld to cover taxes	9,917
Forfeited	37,704
Balance - April 2, 2022	7,740,971

As of April 2, 2022 and December 31, 2021, there were 4,407,683 and 3,956,364 shares, respectively, issuable under stock options outstanding, 948,684 and 608,175 shares, respectively, issuable under unvested RSUs outstanding, 7,869,381 and 7,730,884 shares, respectively, issued for stock option exercises, RSU settlement, and restricted stock grants, and 7,740,971 and 6,515,807 shares, respectively, available for grants under the 2018 Plan.

Stock Options

Following are the assumptions used in the Black-Scholes valuation model for options granted during the periods shown below:

	Three Months Ended	
	April 2, 2022	**April 3, 2021**
Risk-free interest rate	1.7%	1.3%
Average expected term (years)	7.0	7.0
Expected volatility	55.0%	72.6%
Dividend yield	—	—

Option grants to new employees in the three months ended April 2, 2022 and April 3, 2021 generally vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter ratably vesting monthly over the remaining 3-year period, subject to continued employment through the vesting date. Option grants to continuing employees in the three months ended April 2, 2022 generally vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter ratably vesting monthly over the remaining 3-year period, subject to continued employment through the vesting date. Option grants to continuing employees in the three months ended April 3, 2021 generally vest monthly over a 48-month period, subject to continued employment through the vesting date. Option grant to one executive officer in the three months ended April 3, 2021 vested over three months from the vesting commencement date.

The following table summarizes the Company's stock option activity during the three months ended April 2, 2022:

	Number of Stock Options	**Weighted Average Exercise Price**	**Weighted Average Remaining Contractual Life (Years)**	**Aggregate Intrinsic Value (in thousands)**[(1)]
Outstanding at December 31, 2021	3,956,364	$ 27.04	5.9	$ 180,302
Granted	563,286	$ 47.42	—	$ —
Exercised	(95,784)	$ 8.48	—	$ 4,205
Cancelled/Forfeited	(16,183)	$ 92.71	—	$ —
Outstanding at April 2, 2022	4,407,683	$ 29.81	6.2	$ 126,043
Vested and exercisable at April 2, 2022	2,959,174	$ 15.54	4.8	$ 115,943
Vested and expected to vest at April 2, 2022	4,095,831	$ 26.52	5.9	$ 125,425

(1) Aggregate intrinsic value is calculated as the difference between the value of common stock on the transaction date and the exercise price multiplied by the number of shares issuable under the stock option. Aggregate intrinsic value of shares outstanding at the beginning and end of the reporting period is calculated as the difference between the value of common stock on the beginning and end dates, respectively, and the exercise price multiplied by the number of shares outstanding.

During the three months ended April 2, 2022 and April 3, 2021, the Company recorded in aggregate $4.1 million and $3.4 million, respectively, of share-based compensation expense related to options. The share-based compensation expense is included in cost of goods sold, research and development expenses and SG&A expenses in the Company's condensed consolidated statements of operations.

As of April 2, 2022, there was $32.5 million in unrecognized compensation expense related to nonvested stock option awards which is expected to be recognized over a weighted average period of 1.6 years.

Restricted Stock Units

RSU grants to new and continuing employees in the three months ended April 2, 2022 generally vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter vest quarterly over the remaining 3 years of the award, subject to continued employment through the vesting date. Some of the RSU grants to continuing employees in the three months ended April 2, 2022 vest 50% of the total award on the first anniversary of the vesting commencement date, and thereafter vest quarterly over the remaining 4 quarters of the award, subject to continued employment through the vesting date. RSU awards to nonemployee ambassadors in the three months ended April 2, 2022 vest on varying dates, subject to continued service through the vesting date.

RSU grants to new employees in the three months ended April 3, 2021 vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter vest quarterly over the remaining 3 years of the award, subject to continued employment through the vesting date. RSU grants to continuing employees in the three months ended April 3, 2021 generally vest quarterly over 16 quarters, subject to continued employment through the vesting date. RSU grants in the three months ended April 3, 2021 include fully vested RSUs granted to an executive officer issued in settlement of the obligation discussed below under Share-Settled Obligation. RSU grant to one executive officer in the three months ended April 3, 2021 vested 100% over three months from the vesting commencement date. There were no RSU grants to nonemployee ambassadors in the three months ended April 3, 2021.

The following table summarizes the Company's RSU activity during the three months ended April 2, 2022:

	Number of Units	Weighted Average Grant Date Fair Value Per Unit
Unvested at December 31, 2021	608,175	$ 89
Granted	403,692	$ 48.11
Vested[(1)]	(41,709)	$ 99.29
Cancelled/Forfeited	(21,474)	$ 100.15
Unvested at April 2, 2022	948,684	$ 70.75

(1) Includes 9,917 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 2018 Plan.

During the three months ended April 2, 2022 and April 3, 2021, the Company recorded in aggregate $5.2 million and $2.9 million, respectively, of share-based compensation expense related to RSUs. The share-based compensation expense is included in cost of goods sold, research and development expenses and SG&A expenses in the Company's condensed consolidated statements of operations.

As of April 2, 2022, there was $33.3 million in unrecognized compensation expense related to unvested RSUs which is expected to be recognized over a weighted average period of 1.5 years.

Share-Settled Obligation

Share-based compensation expense in the three months ended April 2, 2022 and April 3, 2021 includes $0 and $0.8 million, respectively, for a liability classified, share-settled obligation to an executive officer related to a sign-on award pursuant to the terms of the executive officer's offer letter with the Company. The share-based compensation expense related to this share-settled obligation is included in SG&A expenses in the Company's condensed consolidated statements of operations. Financing activities in the statement of cash flows for the three months ended April 2, 2022 and April 3, 2021 includes $0 and $0.8 million, respectively, noncash reclassification of the share-settled obligation from "Other current liabilities" to "Additional paid-in capital."

In the first quarter of 2021, a quarterly tranche related to this obligation was earned, and the Company delivered to this executive officer 6,066 fully vested RSUs with a settlement date fair value of $0.8 million.

Restricted Stock to Nonemployees

As of April 2, 2022, no shares of restricted stock had been issued to nonemployee brand ambassadors.

During the three months ended April 2, 2022 and April 3, 2021, the Company recorded in aggregate $0 and $0.2 million, respectively, of share-based compensation expense related to restricted stock issued to nonemployee brand ambassadors, which is included in SG&A expenses in the Company's condensed consolidated statements of operations.

Employee Stock Purchase Plan

As of April 2, 2022, the maximum aggregate number of shares that may be issued under the 2018 Employee Stock Purchase Plan ("ESPP") was 2,412,585 shares of common stock, including an increase of 536,130 shares effective January 1, 2022 under the terms of the ESPP. The ESPP is expected to be implemented through a series of offerings under which participants are granted purchase rights to purchase shares of the Company's common stock on specified dates during such offerings. The administrator has not yet approved an offering under the ESPP.

Note 10. Commitments and Contingencies

Leases

See Note 4, Leases.

On January 14, 2021, the Company entered into the Campus Lease with HC Hornet Way, LLC, a Delaware limited liability company (the "Landlord"), to house the Company's lab and innovation space and headquarters offices in El Segundo, California.

In the three months ended April 2, 2022, the Company paid $0.3 million in payments towards common area maintenance, parking, and insurance. No such payments were made in the three months ended April 3, 2021.

Although the Company is involved in the design of the tenant improvements of the Premises, the Company does not have title or possession of the assets during construction. In addition, the Company does not have the ability to control the leased Premises until each phase of the tenant improvements is complete. As of April 2, 2022, the tenant improvements associated with Phase 1-A had not been completed, and the underlying asset had not been delivered to the Company. Accordingly, there was no lease commencement during the three months ended April 2, 2022. Therefore, the Company has not recognized an asset or a liability for the Campus Lease in its condensed consolidated balance sheets as of April 2, 2022 and December 31, 2021. The Company contributed $37.0 million and $59.2 million in payments to a construction escrow account in the three months ended April 2, 2022 and the year ended December 31, 2021, respectively. These payments are recorded in “Prepaid lease costs, non-current” in the Company’s condensed consolidated balance sheets as of April 2, 2022 and December 31, 2021, respectively, which will ultimately be recorded as a component of a right-of-use asset upon lease commencement.

Concurrent with the Company’s execution of the Campus Lease, as a security deposit, the Company delivered to the Landlord a letter of credit in the amount of $12.5 million which amount will decrease to: (i) $6.3 million on the fifth (5th) anniversary of the Rent Commencement Date (as defined in the Campus Lease); (ii) $3.1 million on the eighth (8th) anniversary of the Rent Commencement Date; and (iii) $0 in the event the Company receives certain credit ratings; provided the Company is not then in default of its obligations under the Campus Lease. Upon termination of the revolving credit facility, the letter of credit continued in effect, unsecured.

China Investment and Lease Agreement

On September 22, 2020, the Company and its wholly-owned subsidiary, Beyond Meat (Jiaxing) Food Co., Ltd. (“BYND JX”), entered into an investment agreement with the Administrative Committee (the “JX Committee”) of the Jiaxing Economic & Technological Development Zone (the “JXEDZ”) pursuant to which, among other things, BYND JX has agreed to make certain investments in the JXEDZ in two phases of development, and the Company has agreed to guarantee certain repayment obligations of BYND JX under such agreement.

During Phase 1, the Company had agreed to invest $10.0 million in the JXEDZ through an intercompany investment in BYND JX and BYND JX has agreed to lease a facility in the JXEDZ for a minimum of two years. In connection with such agreement, BYND JX entered into a factory leasing contract with an affiliate of the JX Committee, pursuant to which BYND JX has agreed to lease and renovate a facility in the JXEDZ and lease it for a minimum of two years. In the event that the Company and BYND JX determine, in their sole discretion, to proceed with the Phase 2 development in the JXEDZ, BYND JX has agreed in the first stage of Phase 2 to increase its registered capital by $30.0 million and to acquire the land use right to a state-owned land plot in the JXEDZ to conduct development and construction of a new production facility. Following the first stage of Phase 2, the Company and BYND JX may determine, in their sole discretion, to permit BYND JX to obtain a second state-owned land plot in the JXEDZ in order to construct an additional facility thereon.

The Planet Partnership

On January 25, 2021, the Company entered into TPP, a joint venture with PepsiCo, Inc., to develop, produce and market innovative snack and beverage products made from plant-based protein. For the three months ended April 2, 2022 and April 3, 2021, the Company recognized its share of the net losses in TPP, in the amount of $0.7 million and $0.4 million, respectively. See Note 2.

Purchase Commitments

As of April 2, 2022, the Company had committed to purchase pea protein inventory totaling $34.6 million in 2022.

Litigation

Don Lee Farms

On May 25, 2017, Don Lee Farms, a division of Goodman Food Products, Inc., filed a complaint against the Company in the Superior Court of the State of California for the County of Los Angeles asserting claims for breach of contract, misappropriation of trade secrets, unfair competition under the California Business and Professions Code, money owed and due, declaratory relief and injunctive relief, each arising out of the Company's decision to terminate an exclusive supply agreement between the Company and Don Lee Farms. The Company denied all of these claims and filed counterclaims on July 27, 2017, alleging breach of contract, unfair competition under the California Business and Professions Code and conversion. In October 2018, the former co-manufacturer filed an amended complaint that added one of the Company's then current contract manufacturers as a defendant, principally for claims arising from the then current contract manufacturer's alleged use of the former co-manufacturer's alleged trade secrets, and for replacing the former co-manufacturer as one of the Company's co-manufacturers. The then current contract manufacturer filed an answer denying all of Don Lee Farms' claims and a cross-complaint against Beyond Meat asserting claims of total and partial equitable indemnity, contribution, and repayment. On March 11, 2019, Don Lee Farms filed a second amended complaint to add claims of fraud and negligent misrepresentation against the Company. On May 30, 2019, the judge denied the Company's motion to dismiss the fraud and negligent misrepresentation claims, allowing the claims to proceed. On June 19, 2019, the Company filed an answer denying Don Lee Farms' claims.

On January 24, 2020, a writ judge granted Don Lee Farms a right to attach in the amount of $628,689 on the grounds that Don Lee Farms had established a "probable validity" of its claim that Beyond Meat owes Don Lee Farms money for a small batch of unpaid invoices. This determination was not made by the trial judge.

On January 27, 2020, Don Lee Farms filed a third amended complaint to add three individual defendants, all of whom are current or former employees of the Company, including Mark Nelson, the Company's former Chief Financial Officer and Treasurer, to Don Lee Farms' existing fraud claims alleging that those individuals were involved in the alleged fraudulent misrepresentations. On June 23, 2020, the judge denied Beyond Meat and the individual defendants' motion to dismiss the fraud and negligent misrepresentation claims, allowing the claims to proceed. On July 6, 2020, the Company and the individual defendants filed an answer denying all of Don Lee Farms' claims, including denying all allegations of fraud and negligent misrepresentation.

On August 11, 2020, the Company filed an amended cross-complaint against Don Lee Farms, its parent Goodman Food Products, Inc. and its owners and employees, Donald, Daniel, and Brandon Goodman. Among other claims, the amended cross-complaint alleges that Don Lee Farms defrauded Beyond Meat, misappropriated its trade secrets, and infringed its trademarks.

On January 28, 2021, Don Lee Farms filed a motion for summary adjudication on its breach of contract and money owed claims and on Beyond Meat's breach of contract claims. On February 18, 2021, Don Lee Farms and Donald, Daniel and Brandon Goodman filed a motion for summary adjudication on Beyond Meat's fraud, negligent misrepresentation, and conversion claims.

On February 16, 2021, the Court entered an order consolidating this action with an action that Don Lee Farms filed against CLW Foods, LLC, a current Beyond Meat contract manufacturer. On February 22, 2021, CLW Foods, LLC requested a continuance of the trial date, which the Court granted.

On March 19, 2021, Don Lee Farms requested the dismissal, without prejudice, of Don Lee Farms' claims against the Company's former contract manufacturer, ProPortion Foods, LLC and current contract manufacturer CLW Foods, LLC. On, March 23, 2021, ProPortion Foods, LLC requested that its claims against the Company be dismissed without prejudice. On March 26, 2021, the Court granted Don Lee Farms' request to dismiss its claims against ProPortion Foods, LLC and CLW Foods, LLC; and granted ProPortion Foods, LLC request to dismiss its claims against the Company.

On May 7, 2021, the Court ruled on Don Lee Farms' motions for summary adjudication. The Court granted Don Lee Farms' motion for summary adjudication on its breach of contract and money owed claims, and Beyond Meat's negligent misrepresentation and conversion claims. The Court denied Don Lee Farms' motion for summary adjudication on Beyond Meat's breach of contract and fraud claims, allowing Beyond Meat's claims to proceed to trial.

On June 11, 2021, former Beyond Meat employees Mark Nelson and Tony Miller, and current employee, Jessica Quetsch (collectively, the "individual defendants"), filed a motion for summary adjudication on Don Lee Farms' fraud claim asserted against them. On June 11, 2021, the Company filed a motion for summary adjudication on Don Lee Farms' fraud and negligent misrepresentation claims, misappropriation of trade secret claim, and unfair competition claim under the California Business and Professions Code. On August 27, 2021, the Court ruled on the individual defendants' and the Company's motions for summary adjudication. The Court denied the individual defendants' motion for summary adjudication. The Court also denied the Company's motion for summary adjudication on Don Lee Farms' fraud and negligent misrepresentation claims. The Court granted the Company's motion for summary adjudication on Don Lee Farms' trade secret misappropriation and unfair competition claims. Don Lee Farms' trade secret misappropriation and unfair competition claims will not proceed to trial.

On January 27, 2022, Don Lee Farms filed a motion for summary adjudication on Beyond Meat's trade secret misappropriation claim. On April 19, 2022, the Court denied Don Lee Farms motion for summary adjudication on Beyond Meat's trade secret misappropriation claim. Beyond Meat's trade secret misappropriation claim will proceed to trial.

The previous trial date, May 16, 2022, was continued. Trial is currently set for September 26, 2022.

Don Lee Farms is seeking from Beyond Meat and the individual defendants unspecified compensatory and punitive damages, declaratory and injunctive relief, and attorneys' fees and costs. The Company is seeking from Don Lee Farms monetary damages, restitution of monies paid to Don Lee Farms, injunctive relief, including the prohibition of Don Lee Farms' use or disclosure of Beyond Meat's trade secrets and the prohibition of Don Lee Farms' infringing use of Beyond Meat's trademarks, and attorneys' fees and costs.

The Company believes it was justified in terminating the supply agreement with Don Lee Farms, that the Company is not liable for the fraud or negligent misrepresentation alleged in the third amended complaint, and that Don Lee Farms is liable for the conduct alleged in the Company's amended cross-complaint. Conversely, as alleged in the Company's amended cross-complaint, the Company believes Don Lee Farms misappropriated the Company's trade secrets, defrauded the Company, and ultimately has infringed the Company's trademarks.

The Company is currently in the process of litigating this matter and intends to vigorously defend itself and its current and former employees against the claims and to prosecute the Company's own claims.

The Company cannot provide assurance that Don Lee Farms will not prevail in all or some of their claims against the Company or the individual defendants, or that the Company will prevail in some or all of its claims against Don Lee Farms. For example, if Don Lee Farms succeeds in the lawsuit, the Company could be required to pay damages, including but not limited to contract damages reasonably calculated at what the Company would have paid Don Lee Farms to produce the Company's products through 2019, the end of the contract term. Based on the Company's current knowledge, the Company has determined that the amount of any material loss or range of any losses that is reasonably possible to result from this lawsuit is not estimable.

Securities Related Litigation

On January 30, 2020, Larry Tran, a purported shareholder of Beyond Meat, filed a putative securities class action lawsuit in the United States District Court for the Central District of California against Beyond Meat and two of the Company's executive officers, the Company's President and CEO, Ethan Brown, and the Company's former Chief Financial Officer and Treasurer, Mark Nelson. As noted here and in previous filings, the Tran securities class action was dismissed with prejudice on October 27, 2020, except for the class allegations of absent putative class members, which were dismissed without prejudice.

On March 16, 2020, Eric Weiner, a purported shareholder of Beyond Meat, filed a shareholder derivative lawsuit in the United States District Court for the Central District of California, putatively on behalf of the Company, against two of the Company's executive officers, the Company's President and CEO, Ethan Brown, and the Company's former Chief Financial Officer and Treasurer, Mark Nelson, and each of the Company's directors, including one former director, who signed the Company's initial public offering registration statement. The lawsuit asserts claims under Sections 10(b) and 21D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), claims of breaches of fiduciary duty as directors and/or officers of Beyond Meat, and claims of unjust enrichment and waste of corporate assets, all relating to the Company's ongoing litigation with Don Lee Farms, related actions taken by Beyond Meat and the named individuals during the period of May 2, 2019 to March 16, 2020, and the Tran securities case brought against the Company.

On March 18, 2020, Kimberly Brink and Melvyn Klein, purported shareholders of Beyond Meat, filed a shareholder derivative lawsuit in the United States District Court for the Central District of California, putatively on behalf of the Company, against two of the Company's executive officers, the Company's President and CEO, Ethan Brown, and the Company's former Chief Financial Officer and Treasurer, Mark Nelson, and each of the Company's directors, including one former director, who signed the Company's initial public offering registration statement. The lawsuit asserts claims under Sections 10(b) and 21D of the Exchange Act, claims of breaches of fiduciary duty as directors and/or officers of Beyond Meat, and claims of unjust enrichment and waste of corporate assets, all relating to the Company's ongoing litigation with Don Lee Farms, related actions taken by Beyond Meat and the named individuals during the period of May 2, 2019 to March 18, 2020, and the Tran securities case brought against the Company.

On May 27, 2020, Kevin Chew, a purported shareholder of Beyond Meat, filed a shareholder derivative lawsuit in the United States District Court of the District of Delaware (the "Chew Derivative Action"), putatively on behalf of the Company, against two of the Company's executive officers, the Company's President and CEO, Ethan Brown, and the Company's former Chief Financial Officer and Treasurer, Mark Nelson, and each of the Company's directors, including one former director, who signed the Company's initial public offering registration statement. The lawsuit asserts claims under Sections 10(b) and 21D of the Exchange Act and claims of breaches of fiduciary duty, relating to the Company's ongoing litigation with Don Lee Farms, related actions taken by Beyond Meat and the named individuals during the period of May 2, 2019 to May 27, 2020. On June 16, 2020, the Court entered an order staying all proceedings in the derivative action until (1) the Tran securities class action is dismissed, with prejudice, and all appeals related thereto have been exhausted; or (2) any motion to dismiss the Tran securities class action is denied in whole or in part. On June 17, 2020, the Court entered an order administratively closing the derivative case based on the stay order. On July 29, 2021, the Court entered a Joint Stipulation to Continue the Stay of the Action, staying the case until the resolution of the California Derivative Action.

On April 1, 2020, the United States District Court for the Central District of California entered an order consolidating the Weiner action and the Brink/Klein action for all purposes and designated the consolidated case In re: Beyond Meat, Inc. Derivative Litigation (the “California Derivative Action”). On April 13, 2020, the Court entered an order appointing co-lead counsel for the California Derivative Action. On June 23, 2020, the Court entered an order approving a Joint Stipulation Regarding Stay of Actions. Under the terms of the stay approval order, all proceedings in the California Derivative Action are stayed until (1) the Tran securities class action is dismissed, with prejudice, and all appeals related thereto have been exhausted; or (2) any motion to dismiss the Tran securities class action is denied in whole or in part. As noted herein and in previous filings, the Tran securities class action was dismissed with prejudice on October 27, 2020, except for the class allegations of absent putative class members, which were dismissed without prejudice. On April 20, 2021, the parties filed a joint stipulation regarding briefing schedule, and the Court entered a schedule on April 21, 2021.

On May 24, 2021, the plaintiffs in the California Derivative Action filed a First Amended Complaint (“FAC”). The FAC names the same defendants named in the originally-filed consolidated complaint and adds four additional defendants, including ProPortion Foods, LLC (“ProPortion”) and CLW Foods, LLC (“CLW”). The FAC asserts claims under Section 14(a) of the Exchange Act, claims of breach of fiduciary duty, unjust enrichment, waste of corporate assets, abuse of control and gross mismanagement against the individual defendants, and aiding and abetting claims against CLW and ProPortion. All of these claims relate to the Company’s dealings and ongoing litigation with Don Lee Farms, and related actions taken by Beyond Meat and the named individuals during the period of April 2016 to the present. On July 2, 2021, the Court entered a Joint Stipulation Regarding Extension of Briefing Schedule so that the parties could attempt to reach resolution of the lawsuit.

The parties have reached a settlement of the California and Chew Derivative Actions. The proposed settlement, which is subject to final Court approval, includes the Company enacting certain corporate governance reforms and paying plaintiffs’ attorney fees and costs in the amount of $515,000, which amount has been accrued as of April 2, 2022 and December 31, 2021. No other payment is contemplated in the proposed settlement. On October 1, 2021, the parties filed a Joint Report Regarding Settlement in the Central District of California stating that the parties reached a tentative settlement and requesting that the Court (i) vacate the briefing schedule for Defendants’ motion to dismiss, and (ii) issue an order setting November 19, 2021 as the deadline on or before which Plaintiffs must move for preliminary approval of the settlement. On October 4, 2021, the Court entered such an order. The parties requested and received another extension to January 14, 2022 for Plaintiffs to file a motion for preliminary approval. The Stipulation of Settlement was signed on January 14, 2022, and Plaintiffs filed a motion for preliminary approval that same day. On February 8, 2022, the Court entered a Scheduling Notice and Order finding that Plaintiffs’ motion for preliminary approval is appropriate for submission on the papers without oral argument. On March 31, 2022, the Court entered an order preliminarily approving the Stipulation of Settlement. On April 8, 2022, the Company published notice of the preliminary approval and the proposed settlement in accordance with the Stipulation of Settlement. On April 18, 2022, the Company paid to escrow the $515,000 for Plaintiffs’ attorneys’ fees and costs and on April 19, 2022, the Company filed proof of notice with the Court. Plaintiffs’ motion for final approval is due on June 13, 2022, objections to the proposed settlement are due on June 20, 2022, plaintiffs’ reply in support of final approval is due on July 1, 2022, and the Final Approval Hearing is scheduled for July 11, 2022.

Interbev

On March 13, 2022, the Company was served a summons by Interbev, a French trade association representing the cattle industry, to appear before the Commercial Court of Paris. The summons alleges that the Company misleads the French consumer with references to “plant based meat,” “plant based burger” and related descriptive names, and alleges that the Company is denigrating meat and meat products. The relief sought by Interbev includes (i) changing the presentation of Beyond Meat products to avoid any potential confusion with meat products, (ii) publication of the judgment of the court in the media and (iii) damages of EUR 200,000. The Company intends to vigorously defend against all claims asserted in the summons.

The Company is involved in various other legal proceedings, claims, and litigation arising in the ordinary course of business. Based on the facts currently available, the Company does not believe that the disposition of such matters that are pending or asserted will have a material effect on its financial statements.

Note 11. Income Taxes

For the three months ended April 2, 2022 and April 3, 2021, the Company recorded $10,000 and $48,000 in income tax expense, respectively, in its condensed consolidated statements of operations.

The Company has evaluated the available evidence supporting the realization of its deferred tax assets, including the amount and timing of future taxable income, and has determined that it is more likely than not that its net deferred tax assets will not be realized in the U.S. Due to uncertainties surrounding the realization of the deferred tax assets, the Company maintains a full valuation allowance against substantially all deferred tax assets. If the Company determines that it will be able to realize some portion or all of its deferred tax assets, an adjustment to its valuation allowance on its deferred tax assets will be made and the adjustment would have the effect of increasing net income in the period such determination is made.

As of April 2, 2022, the Company did not have any accrued interest or penalties related to uncertain tax positions. The Company's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. The Company is subject to U.S. federal tax authority and U.S. state tax authority examinations for all years with respect to net operating loss and credit carryforwards.

In response to the COVID-19 pandemic, the United States passed the Coronavirus Aid, Relief, and Economic Security Act in March 2020 and on March 11, 2021 the United States enacted the American Rescue Plan Act of 2021. These Acts include various income and payroll tax measures. The income tax and payroll tax measures did not materially impact the Company's financial statements.

Note 12. Net Loss Per Share Available to Common Stockholders

The Company calculates basic and diluted net loss per share available to common stockholders in conformity with the two-class method required for companies with participating securities. Pursuant to Accounting Standards Update 2020-06, the Company applies the more dilutive of the if-converted method and the two-class method to its Notes.

Computation of net loss per share available to common stockholders for the three months ended April 2, 2022 excludes the dilutive effect of 4,407,683 shares issuable under stock options and 948,684 RSUs outstanding at April 2, 2022 because the Company incurred a net loss and their inclusion would be anti-dilutive. Computation of net loss per share available to common stockholders for the three months ended April 2, 2022 also excludes the dilutive effect of the Notes because the Company recorded a net loss and their inclusion would be anti-dilutive. Computation of net loss per share available to common stockholders for the three months ended April 3, 2021 excludes the dilutive effect of 4,097,076 shares issuable under stock options and 294,296 RSUs outstanding at April 3, 2021 because their inclusion would be anti-dilutive. Computation of net loss per share available to common stockholders for the three months ended April 3, 2021 also excludes the dilutive effect of shares of common stock that were issuable to an officer in settlement of an obligation to deliver a variable number of shares based on a fixed monetary amount (see Note 9) because the shares to be delivered were not participating securities as they did not have voting rights and were not entitled to participate in dividends until they are issued.

(in thousands, except share and per share amounts)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021
Numerator:		
Net loss available to common stockholders	$ (100,458)	$ (27,266)
Net loss available to common stockholders—basic	(100,458)	(27,266)
Denominator:		
Weighted average common shares outstanding—basic	63,465,205	62,941,748
Dilutive effect of shares issuable under stock options	—	—
Dilutive effect of RSUs	—	—
Dilutive effect of share-settled obligation	—	—
Dilutive effect of Notes, if converted[(1)]	—	—
Weighted average common shares outstanding—diluted	63,465,205	62,941,748
Net loss per share available to common stockholders—basic	$ (1.58)	$ (0.43)
Net loss per share available to common stockholders—diluted	$ (1.58)	$ (0.43)

(1) As the Company recorded a net loss for the three months ended April 2, 2022 and April 3, 2021, inclusion of shares from the conversion premium or spread would be anti-dilutive. The Company had $1.2 billion in Notes outstanding as of April 2, 2022.

Note 13. Related Party Transactions

In connection with the Company's investment in TPP, a joint venture with PepsiCo, Inc., the Company sells certain products directly to the joint venture. Net revenues earned for products sold to TPP included in U.S. retail channel net revenues were $10.7 million and $0 for the three months ended April 2, 2022 and April 3, 2021, respectively. Accounts receivable from TPP was $6.0 million and $0 at April 2, 2022 and December 31, 2021, respectively.

ITEM 2. 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," of our 2021 10-K and Part II, Item 1A, "Risk Factors" and "Note Regarding Forward-Looking Statements" included in this report and those discussed in other documents we file from time to time with the SEC. The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes and other financial information included in this quarterly report and our audited consolidated financial statements and notes thereto included in our 2021 10-K. Our historical results are not necessarily indicative of the results to be expected for any future periods and our operating results for the three months ended April 2, 2022 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2022 or for any other interim period or for any other future year or period.

Overview

Beyond Meat is a leading plant-based meat company offering a portfolio of revolutionary plant-based meats. We build meat directly from plants, an innovation that enables consumers to experience the taste, texture and other sensory attributes of popular animal-based meat products while enjoying the nutritional and environmental benefits of eating our plant-based meat products. Our brand commitment, "Eat What You Love," represents a strong belief that there is a better way to feed our future and that the positive choices we all make, no matter how small, can have a great impact on our personal health and the health of our planet. By shifting from animal-based meat to plant-based protein, we can positively impact four growing global issues: human health, climate change, constraints on natural resources and animal welfare. The success of our breakthrough innovation model and products has allowed us to appeal to a broad range of consumers, including those who typically eat animal-based meats, positioning us to compete directly in the $1.4 trillion global meat industry.

We sell a range of plant-based meat products across the three main meat platforms of beef, pork and poultry. As of March 2022, our products were available at approximately 135,000 retail and foodservice outlets in more than 90 countries worldwide, across mainstream grocery, mass merchandiser, club store, convenience store and natural retailer channels, direct-to-consumer, and various food-away-from-home channels, including restaurants, foodservice outlets and schools.

The condensed consolidated financial statements for the period ended April 2, 2022 include the accounts of the Company and its foreign subsidiaries, Beyond Meat EU B.V., BYND JX and Beyond Meat Canada Inc. All inter-company balances and transactions have been eliminated.

We operate on a fiscal calendar year, and each interim quarter is comprised of one 5-week period and two 4-week periods, with each week ending on a Saturday. Our fiscal year always begins on January 1 and ends on December 31. As a result, our first and fourth fiscal quarters may have more or fewer days included than a traditional 91-day fiscal quarter.

For the first quarter ended April 2, 2022, our retail and foodservice channels accounted for approximately 77.1% and 22.9% of our net revenues, respectively. For the first quarter ended April 3, 2021, our retail and foodservice channels accounted for approximately 74.9% and 25.1% of our net revenues, respectively.

For the first quarter ended April 2, 2022, our U.S. and international channels accounted for approximately 76.5% and 23.5% of our net revenues, respectively. For the first quarter ended April 3, 2021, our U.S. and international channels accounted for approximately 74.5% and 25.5% of our net revenues, respectively.

In the first quarter of 2022, net revenues from the international channels, both retail and foodservice, decreased from the prior year. Despite increased pounds of product sold, international net revenues decreased 6.9% in the first quarter of 2022 as compared to the same period in the prior year primarily due to decreased revenue per pound driven by increased trade discounts, recent pricing actions, mix to lower priced SKUs and a softening in the Euro vs the U.S. dollar. In the first quarter of 2022, U.S. foodservice channel net revenues declined but were more than offset by the increase in U.S. retail channel net revenues, resulting in a 4.0% increase in U.S. net revenues.

At April 2, 2022, our inventory balances increased 17.3% compared to the levels at December 31, 2021, primarily due to increases in finished goods and work-in-process inventories and to a lesser extent due to increases in raw materials and packaging inventory. The increase in finished goods inventory includes the effect of capitalized higher direct labor and production overhead costs.

In addition to the impact of COVID-19 on our business discussed below under "*Impact of COVID-19 on Our Business*," our net revenues, gross profit, gross margin, earnings and cash flows may be adversely impacted in 2022 by the following:

- changes in our product mix including the launch of new products (especially Beyond Meat Jerky), which may carry lower margin profiles relative to existing products due in part to early cost of production inefficiencies;
- weak demand in the retail channel due to slower category growth and increased competitive activity;
- price reductions, primarily in the retail channel in Europe, intended to improve price competitiveness relative to competing products;
- increased unit cost of goods sold due to lower production volumes in response to weaker demand, which would adversely impact coverage of fixed production costs within our manufacturing facilities;
- increased unit cost of goods due to inflation, higher transportation, raw materials, energy, labor and supply chain costs;
- increased promotional programs and trade discounts to our retail and foodservice customers and shifts in product and channel mix resulting in negative impacts on our gross margins;
- potential disruption to our supply chain and the supply chain more generally caused by distribution and other logistical issues; and
- labor needs at the Company as well as in the supply chain and at customers.

Impact of COVID-19 on Our Business

The COVID-19 pandemic has had, and we expect will continue to have, certain negative impacts on our business. In response to the COVID-19 pandemic, governments and other authorities around the world implemented significant measures intended to control the spread of the virus, including social distancing measures, business closures or restrictions on operations, quarantines and travel bans. While some of these restrictions were lifted or eased in many jurisdictions as the rates of COVID-19 infections have decreased or stabilized and as various COVID-19 vaccines have become more widely available, a resurgence of COVID-19 and the impact of variants of the virus that causes COVID-19 in some markets has slowed the reopening process.

The COVID-19 pandemic continues to impact the global economy. We have established a cross-functional task force that meets regularly and continually monitors and tracks relevant data, including guidance from local, national and international health agencies. This task force works closely with our senior leadership and is instrumental in making critical, timely decisions and is committed to continuing to communicate to our employees as more information is available to share. In response to COVID-19, we have taken, and continue to take measures to support the health and safety of our employees as well as the communities in which we operate.

It is challenging to estimate the extent of the adverse impact of the COVID-19 pandemic on our results of operations due to continued uncertainty regarding the duration, spread and intensity of the COVID-19 pandemic. While the ultimate health and economic impact of COVID-19 continues to be highly uncertain, our business operations and results of operations, including our net revenues, gross profit, gross margin, earnings and cash flows, may be adversely impacted in 2022, including as a result of:

- variability of demand in the foodservice channel due to the ongoing impact of COVID-19, including the resurgence of COVID-19 and the appearance of variants of the virus, despite the resumption of customer traffic in some foodservice establishments;
- potential disruption or closure of our facilities or those of our suppliers or co-manufacturers due to employee contraction of COVID-19;
- potential shortages in raw materials caused by the conflict in Ukraine, COVID-19 lockdowns in China or other factors;
- the timing and success of strategic QSR partnership launches and resumption of any expansion plans for our product lines for those QSR customers who are in trial or test phase;
- reduced consumer confidence and consumer spending, including spending to purchase our products; and negative trends in consumer purchasing patterns due to consumers' disposable income, credit availability, debt levels and inflation;
- reduced confidence by our foodservice partners due to the resurgence of COVID-19, as well as reimplementation of safety measures in certain jurisdictions and its potential impact on customer demand levels;
- further foodservice customer closures (including re-closures in connection with resurgences of COVID-19) or further reduced operations;
- our ability to introduce new foodservice products as QSR and other partners look to simplify menu offerings as a result of the pandemic;
- uncertainty in the length of recovery time for the U.S. and world economies; and
- disruptions in our ability to expand to new international locations.

Future events and effects related to COVID-19 cannot be determined with precision and actual results could significantly differ from estimates or forecasts.

Environmental, Social and Governance

As a disruptive leader in the food industry, we have established ourselves as a leading producer of plant-based meat products that deliver a reduced environmental footprint and mitigate the social and welfare issues inherent to the production and consumption of animal protein. In order to continue that work and position ourselves as a leader in the integration of environmental and social change, we have committed to developing a comprehensive ESG program. As part of the development of our ESG program, we have conducted a materiality analysis to determine which ESG issues are relevant to our business ("ESG Materiality Analysis"). The ESG Materiality Analysis was not designed to identify material issues for the purposes of financial reporting, or as defined by the securities laws of the United States. The environmental impacts of our products, climate change management, the safety and quality of the products we produce and how we manage our supply chain were all identified as highly relevant as a result of the ESG Materiality Analysis. We continue to work on leveraging the ESG Materiality Analysis to create comprehensive ESG goals that will assist us with our commitment to ensuring responsible and sustainable business practices within our organization.

Components of Our Results of Operations and Trends and Other Factors Affecting Our Business

Net Revenues

We generate net revenues primarily from sales of our products to our customers across mainstream grocery, mass merchandiser, club store, convenience store and natural retailer channels, and various food-away-from-home channels, including restaurants, foodservice outlets and schools, mainly in the United States.

We present our net revenues by geography and distribution channel as follows:

Distribution Channel	Description
U.S. Retail	Net revenues from retail sales to the U.S. market
U.S. Foodservice	Net revenues from restaurant and foodservice sales to the U.S. market
International Retail	Net revenues from retail sales to international markets, including Canada
International Foodservice	Net revenues from restaurant and foodservice sales to international markets, including Canada

The following factors and trends in our business have driven net revenue growth over prior periods and are expected to be key drivers of our net revenue growth over time, subject to the duration, magnitude and effects of COVID-19 and other challenges as discussed above:

- increased penetration across our retail channel, including mainstream grocery, mass merchandiser, club store, convenience store, and natural retailer channels, and our foodservice channel, including increased desire by foodservice establishments, including large Full Service Restaurant and/or global QSR customers, to add plant-based products to their menus and to highlight these offerings;
- the strength and breadth of our partnerships with global QSR restaurants and retail and foodservice customers;
- distribution expansion, increased sales velocity, household penetration, repeat purchases, buying rates (amount spent per buyer) and purchase frequency across our channels;
- increased international sales of our products across geographies, markets and channels as we continue to expand the breadth and depth of our international distribution and grow our numbers of international customers;
- our ability to accurately forecast demand for our products and manage our inventory;
- our operational effectiveness and ability to fulfill orders in full and on time;
- our continued innovation and product commercialization, including enhancing existing products and introducing new products, such as Beyond Meatballs, Beyond Breakfast Sausage Patties, Beyond Breakfast Sausage Links, the latest iteration of our Beyond Burger and the recent launches of Beyond Chicken Tenders and Beyond Meat Jerky, across our plant-based platforms that appeal to a broad range of consumers, specifically those who typically eat animal-based meat;
- enhanced marketing efforts as we continue to build our brand, amplify our value proposition around taste, health and sustainability, serve as a best-in-class partner to strategic and other QSR customers to support product development and category management, and drive consumer adoption of our products, including for example, our billboard campaign, food truck tours in selected cities, our first Reddit AMA, our presence on TikTok, our NBA Twitter campaign during the NBA finals, mobile pop-ups in select U.S. cities to give consumers an exclusive first taste of our latest innovative products ahead of in-store availability, increased social media and digital activity to build consumer awareness and excitement, shopper marketing programs to incentivize consumer trial, and a robust Spotify podcast campaign around the launch of the latest iteration of our Beyond Burger;
- overall market trends, including growing consumer awareness and demand for nutritious, convenient and high protein plant-based foods; and
- increased production levels as we invest in production infrastructure and scale production to meet demand for our products across our distribution channels both domestically and internationally.

In addition to the factors and trends above, we expect the following to positively impact net revenues going forward, subject to the ultimate duration, magnitude and effects of the COVID-19 pandemic and other challenges discussed above:

- expansion of our own internal production facilities domestically and abroad to produce our woven proteins, blends of flavor systems and binding systems, and finished goods, while forming additional strategic relationships with co-manufacturers; and

- localized production and third-party partnerships to increase the availability and speed with which we can get our products to customers internationally.

As we seek to continue to grow our net revenues, we face several challenges. The extent of COVID-19's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic (including any additional resurgences), impact of variants of the virus that causes COVID-19, the widespread distribution and public acceptance of the various COVID-19 vaccines and their efficacy against COVID-19 and variants of the virus, labor needs at the Company as well as in the supply chain and at customers, compliance with government or employer COVID-19 vaccine mandates and the resulting impact on available labor, and the level of social and economic restrictions imposed on the United States and abroad in an effort to curb the spread of the virus, and the impact on consumer behavior, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. For example, the impact of COVID-19 on any of our suppliers, co-manufacturers, distributors or transportation or logistics providers may negatively affect the price and availability of our ingredients and/or packaging materials and impact our supply chain. Labor shortages at retail and foodservice customers may impact our ability to launch new products or planned promotions, or may have other negative effects on customer demand. Additionally, if we are forced to scale back hours of production or close our production facilities or our Manhattan Beach Project Innovation Center in response to the pandemic, we expect our business, financial condition and results of operations would be materially adversely affected. In addition, our growth strategy to expand our operations internationally may be impeded. The uncertainty created by COVID-19 significantly increases the difficulty in forecasting operating results and strategic planning. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on our business, results of operations, financial condition or liquidity. However, the pandemic has had, and we expect may continue to have, a material adverse impact on our business, results of operations, financial condition and cash flows and may adversely impact the trading price of our common stock. Future events and effects related to the COVID-19 pandemic cannot be determined with precision and actual results could significantly differ from estimates or forecasts.

We routinely offer sales discounts and promotions through various programs to customers and consumers. These programs include rebates, temporary on-shelf price reductions, off-invoice discounts, retailer advertisements, product coupons and other trade activities. We anticipate that we will need to continue to offer more trade and promotion discounts to both our retail and foodservice customers, to drive increased consumer trial, in response to COVID-19 and in response to increased competition. The expense associated with these discounts and promotions is estimated and recorded as a reduction in total gross revenues in order to arrive at reported net revenues. At the end of each accounting period, we recognize a contra asset to "Accounts receivable" for estimated sales discounts that have been incurred but not paid which totaled $4.3 million and $3.6 million as of April 2, 2022 and December 31, 2021, respectively. We expect to face increasing competition across all channels, especially as additional plant-based protein product brands continue to enter the marketplace. In response, we anticipate providing heavier discounting and promotions on some of our products. Although these actions are intended to build brand awareness and increase consumer trials of our products, they have had and are likely to continue to have a negative impact on our net revenues, gross margins and profitability, impacting period-over-period results.

In addition, because we do not have any purchase commitments from our distributors or customers, the amount of net revenues we recognize will vary from period to period depending on the volume, timing and the channels through which our products are sold, and the impact of customer orders ahead of holidays, causing variability in our results. Similarly, the timing of retail shelf resets are not within our control, and to the extent that retail customers change the timing of such events, variability of our results may also increase. Lower customer orders ahead of holidays, shifts in customer shelf reset activity and changes in the order patterns of one or more of our large retail customers could cause a significant fluctuation in our quarterly results and could have a disproportionate effect on our results of operations for the entire fiscal year.

Our financial performance also depends on our operational effectiveness and ability to fulfill orders in full and on time. For example, in the third quarter of 2021 we experienced challenges in operations that led to unfulfilled orders, primarily due to severe weather resulting in the temporary loss of potable water in one Pennsylvania facility and water damage to inventory in another.

Further, we may not be able to recapture missed opportunities in later periods, for example if the opportunity related to a significant grilling holiday like Memorial Day weekend, the Fourth of July, or Labor Day weekend. Missed opportunities may also result in missing subsequent additional opportunities. Internal and external operational issues therefore may impact the amount and variability of our results.

Seasonality

Generally, we expect to experience greater demand for certain of our products during the summer grilling season. In 2021, U.S. retail channel net revenues during the second quarter were 21% higher than the first quarter. In 2020, the impact of COVID-19 amplified this seasonal impact with U.S. retail channel net revenues increasing 80% compared to the first quarter of 2020. We continue to see additional seasonality effects, especially within our retail channel, with revenue contribution from this channel tending to be greater in the second and third quarters of the year, along with increased levels of purchasing by customers ahead of holidays, the impact of customer shelf reset activity and the timing of product restocking by our retail customers. In an environment of uncertainty from the impact of COVID-19, we are unable to assess the ultimate impact on the demand for our products as a result of seasonality.

Gross Profit

Gross profit consists of our net revenues less cost of goods sold. Our cost of goods sold primarily consists of the cost of raw materials and ingredients for our products, direct and indirect labor and certain supply costs, co-manufacturing fees, in-bound and internal shipping and handling costs incurred in manufacturing our products, warehouse storage fees, plant and equipment overhead, depreciation and amortization expense, as well as the cost of packaging our products. In anticipation of future growth, we have had to very quickly scale production and expand our sources of supply for our core protein inputs such as pea protein.

We intend to continue to increase our production capabilities at our in-house manufacturing facilities in Columbia, Missouri, Devault, Pennsylvania, the Netherlands and China, while expanding our co-manufacturing capacity and exploring additional production facilities domestically and abroad. As a result of expansion initiatives, we expect our cost of goods sold in absolute dollars to increase as a result of anticipated growth in our sales volume.

Subject to the ultimate duration, magnitude and effects of COVID-19, we continue to expect that gross profit improvements will be delivered primarily through improved volume leverage and throughput, greater internalization and geographic localization of our manufacturing footprint and finished goods, materials and packaging input cost reductions, tolling fee efficiencies, end-to-end production processes across a greater proportion of our manufacturing network, scale-driven efficiencies in procurement and fixed cost absorption, diversification of our core protein ingredients, product and process innovations and reformulations, cost-down initiatives through ingredient and process innovation and improved supply chain logistics and distribution costs. We are also working to improve gross margin through ingredient cost savings achieved through scale of purchasing and through negotiating lower tolling fees. We intend to pass some of these cost savings on to the consumer as we pursue our goal to achieve price parity with animal protein in at least one of our product categories by the end of 2024.

Margin improvement may, however, continue to be negatively impacted by our focus on investing heavily in our business, including launching new products with manufacturing that may initially be inefficient, establishing infrastructure in the U.S., EU and China, investing in personnel, partnerships and product pipeline, investing in our headquarters campus and commercialization center and expanding our Manhattan Beach Project Innovation Center, growing our customer base, volume deleveraging, aggressive pricing strategies and increased discounting, our product and customer mix, expanding into new geographies and markets, enhancing our production infrastructure, improving our innovation capabilities, enhancing our product offerings and increasing consumer engagement to apply increasing pressure on the three key levers of taste, health and cost that we believe are critical for mass adoption. Margin improvement may also be negatively impacted by the impact of inflation, increasing labor costs, materials costs and transportation costs.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of personnel and related expenses for our research and development staff, including salaries, benefits, bonuses, share-based compensation, scale-up expenses, and depreciation and amortization expense on research and development assets. We are beginning to incur research and development expenses associated with our new Commerce, California commercialization center. Design work is underway, with operations expected to commence before the end of 2022. Our research and development efforts are focused on enhancements to our product formulations and production processes in addition to the development of new products. We expect to continue to invest substantial amounts in research and development, as research and development and innovation are core elements of our business strategy, and we believe they represent a critical competitive advantage for us. We believe that we need to continue to rapidly innovate in order to continue to capture a larger market share of consumers who typically eat animal-based meats. Over time and subject to the duration, magnitude and effects of the COVID-19 pandemic and other factors impacting our business, we expect these expenses to increase in absolute dollars, but to decrease as a percentage of net revenues as we continue to scale production volume.

SG&A Expenses

SG&A expenses consist primarily of selling, marketing and administrative expenses, including personnel and related expenses, share-based compensation, outbound shipping and handling costs, non-manufacturing lease expense, depreciation and amortization expense on non-manufacturing assets, consulting fees and other non-production operating expenses. Marketing and selling expenses include advertising costs, share-based compensation awards to brand ambassadors, costs associated with consumer promotions, product samples and sales aids incurred to acquire new customers, retain existing customers and build our brand awareness. Administrative expenses include expenses related to management, accounting, legal, IT, and other office functions.

We expect SG&A expenses in absolute dollars to increase as we increase our domestic and international expansion efforts, expand our marketing efforts, and incur greater outbound shipping and handling costs.

As we continue to grow, including internationally, we expect to expand our sales and marketing force to address additional opportunities. Over time, our administrative expenses are generally expected to increase in absolute dollars with increased personnel to support various functions, including among others, operations and supply chain, accounting, finance, legal, IT and compliance-related functions, but to decrease as a percentage of net revenues.

Restructuring Expenses

In May 2017, management approved a plan to terminate an exclusive supply agreement with one of our co-manufacturers. For a discussion of these expenses see Note 3, *Restructuring*, and Note 10, *Commitments and Contingencies*, to the Notes to Unaudited Condensed Consolidated Financial Statements, included elsewhere in this report.

Results of Operations

The following table sets forth selected items in our condensed consolidated statements of operations for the respective periods presented:

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021
Net revenues	$ 109,455	$ 108,164
Cost of goods sold	109,265	75,456
Gross profit	190	32,708
Research and development expenses	19,678	15,925
Selling, general and administrative expenses	75,114	38,954
Restructuring expenses	3,026	2,474
Total operating expenses	97,818	57,353
Loss from operations	$ (97,628)	$ (24,645)

The following table presents selected items in our condensed consolidated statements of operations as a percentage of net revenues for the respective periods presented:

	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021
Net revenues	100.0 %	100.0 %
Cost of goods sold	99.8	69.8
Gross profit	0.2	30.2
Research and development expenses	18.0	14.7
Selling, general and administrative expenses	68.6	36.0
Restructuring expenses	2.8	2.3
Total operating expenses	89.4	53.0
Loss from operations	(89.2)%	(22.8)%

Three Months Ended April 2, 2022 Compared to Three Months Ended April 3, 2021 (unaudited)

Net Revenues

Net revenues increased by $1.3 million, or 1.2%, in the three months ended April 2, 2022, as compared to the prior-year period primarily due to an increase in volume sold, partially offset by lower net price per pound resulting from increased trade discounts, pricing reductions, and to a lesser extent, changes in product sales mix, and changes in foreign exchange rates. Growth in net revenues was primarily due to increased retail sales, as a result of contribution from new product introductions. The increase in retail net revenues was partially offset by a decline in foodservice net revenues.

The following table presents our net revenues by channel in the three months ended April 2, 2022 as compared to the prior-year period:

	Three Months Ended		Change	
(in thousands)	**April 2, 2022**	**April 3, 2021**	**Amount**	**%**
U.S.:				
Retail	$ 68,260	$ 63,826	$ 4,434	6.9 %
Foodservice	15,493	16,742	(1,249)	(7.5)%
U.S. net revenues	83,753	80,568	3,185	4.0 %
International:				
Retail	16,137	17,199	(1,062)	(6.2)%
Foodservice	9,565	10,397	(832)	(8.0)%
International net revenues	25,702	27,596	(1,894)	(6.9)%
Net revenues	$ 109,455	$ 108,164	$ 1,291	1.2 %

Net revenues from U.S. retail sales in the three months ended April 2, 2022 increased $4.4 million, or 6.9%, primarily due to the introduction of Beyond Meat Jerky in the first quarter of 2022, which contributed $10.7 million in net revenues, and the recently introduced chicken products including Beyond Chicken Tenders. Increases in sales of Beyond Breakfast Sausage and Beyond Meatballs also contributed to the increase in net revenues. These increases were partially offset by declines in sales primarily of Beyond Sausage and Beyond Beef.

Net revenues from U.S. foodservice sales in the three months ended April 2, 2022 decreased $1.2 million, or 7.5%, primarily due to decreases in sales of Beyond Breakfast Sausage, driven by the discontinuation of distribution at a certain customer, and decreases in sales of Beyond Beef Crumble, partially offset by increases in sales of Beyond Burger, Beyond Sausage and Beyond Beef, and from the recently introduced chicken products including Beyond Chicken Tenders. Our products were available at approximately 35,000 U.S. retail outlets and 39,000 U.S. foodservice outlets as of March 2022.

Net revenues from international retail sales in the three months ended April 2, 2022 decreased $1.1 million, or 6.2%, primarily due to decreases in sales of Beyond Burger and Beyond Beef Crumble, partially offset by increases in sales of Beyond Beef, Beyond Meatballs, Beyond Breakfast Sausage and Beyond Sausage, and from the recently introduced chicken products including Beyond Chicken Tenders. Our products were available at approximately 31,000 international retail outlets as of March 2022.

Net revenues from international foodservice sales in the three months ended April 2, 2022 decreased $0.8 million, or 8.0%, primarily due to decreases in sales of Beyond Beef Crumble and Beyond Beef, partially offset by increases in sales of Beyond Burger, Beyond Meatballs, Beyond Breakfast Sausage, Beyond Pork, and Beyond Sausage, and from the recently introduced chicken products including Beyond Chicken Tenders. Our products were available at approximately 30,000 international foodservice outlets as of March 2022.

The following table presents consolidated volume of our products sold in pounds for the periods presented:

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021	Change Amount	Change %
U.S.:				
Retail	12,453	11,128	1,325	11.9 %
Foodservice	2,752	2,882	(130)	(4.5)%
International:				
Retail	3,530	2,959	571	19.3 %
Foodservice	2,581	2,003	578	28.9 %
Volume of products sold	21,316	18,972	2,344	12.4 %

Cost of Goods Sold

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021	Change Amount	Change %
Cost of goods sold	$ 109,265	$ 75,456	$ 33,809	44.8 %

Cost of goods sold increased by $33.8 million, or 44.8%, to $109.3 million, in the three months ended April 2, 2022 as compared to the prior-year period. Cost of goods sold in the three months ended April 2, 2022 increased to 99.8% from 69.8% of net revenues in the prior-year period. The increase in cost of goods sold was primarily due to the introduction of Beyond Meat Jerky in the three months ended April 2, 2022, which has a high initial cost due to its complex manufacturing process. In addition, higher manufacturing costs including depreciation, higher volume of products sold and higher logistics costs also contributed to the increase in cost of goods sold, partially offset by reduced direct materials costs and lower inventory reserves. Manufacturing costs associated with Beyond Meat Jerky are expected to significantly moderate beginning in the second half of 2022 with process optimization.

Gross Profit and Gross Margin

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021	Change Amount	Change %
Gross profit	$190	$32,708	$(32,518)	(99.4)%
Gross margin	0.2%	30.2%	(3,000) bps	N/A

Gross profit in the three months ended April 2, 2022 was $0.2 million as compared to gross profit of $32.7 million in the prior-year period, a decline of $32.5 million. Gross margin in the three months ended April 2, 2022 declined to 0.2% from 30.2% in the prior-year period. The three months ended April 2, 2022 included the launch of Beyond Meat Jerky, which reduced gross margin by an estimated 940 basis points compared to the year-ago period. In addition to the reduction in gross margin resulting from Beyond Meat Jerky, gross margin was also negatively impacted by reduced net revenue per pound due to increased trade discounts, changes in price and sales mix, increased manufacturing costs per pound including depreciation, and higher logistics costs, partially offset by decreased direct materials costs per pound and lower inventory reserves.

We include outbound shipping and handling costs within SG&A expenses. As a result, our gross profit and gross margin may not be comparable to other entities that present all shipping and handling costs as a component of cost of goods sold.

Research and Development Expenses

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021	Change Amount	Change %
Research and development expenses	$ 19,678	$ 15,925	$ 3,753	23.6 %

Research and development expenses increased $3.8 million, or 23.6%, in the three months ended April 2, 2022, as compared to the prior-year period. Research and development expenses increased to 18.0% of net revenues in the three months ended April 2, 2022 from 14.7% of net revenues in the prior-year period primarily due to higher headcount and higher scale-up expenses compared to the prior-year period.

SG&A Expenses

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021	Change Amount	Change %
Selling, general and administrative expenses	$ 75,114	$ 38,954	$ 36,160	92.8 %

SG&A expenses increased $36.2 million, or 92.8%, in the three months ended April 2, 2022 to 68.6% of net revenues in the three months ended April 2, 2022, from 36.0% of net revenues in the prior-year period. The increase in SG&A expenses was primarily due to $9.9 million increase in advertising costs, $8.1 million in higher salaries and related expenses resulting from higher headcount, $7.4 million in increased marketing costs, $2.7 million in higher outbound freight costs, $2.5 million in higher consulting fees, $2.3 million in product donations, $1.9 million in higher share-based compensation expense, and $0.9 million in higher postage and delivery charges, $0.7 million in higher travel-related costs, $0.6 million in higher general insurance costs, partially offset by $0.3 million in lower commissions and $0.3 million in lower legal fees.

Restructuring Expenses

As a result of the termination in May 2017 of an exclusive supply agreement with one of our co- manufacturers due to non-performance under the agreement, we recorded restructuring expenses of $3.0 million and $2.5 million in the three months ended April 2, 2022 and April 3, 2021, respectively. The restructuring expenses were primarily related to legal and other expenses associated with the dispute. As of April 2, 2022 and December 31, 2021, there were $1.3 million and $2.7 million, respectively, in accrued and unpaid restructuring expenses. We continue to incur legal fees and other costs in connection with our ongoing efforts to resolve this dispute. See Note 3, *Restructuring*, and Note 10, *Commitments and Contingencies* to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Loss from Operations

Loss from operations in the three months ended April 2, 2022 was $97.6 million compared to $24.6 million in the prior-year period. The increase in loss from operations in the three months ended April 2, 2022 was primarily driven by lower gross profit, higher advertising costs, higher marketing-related expenses, growth in overall headcount levels primarily to support increased innovation capabilities and international growth, increased production trial activities, higher share-based compensation expense and higher freight costs included in our selling expenses compared to the prior-year period.

Total Other Expense, net

Total other expense, net in the three months ended April 2, 2022 of $2.1 million consisted primarily of $1.0 million in interest expense. Total other expense, net in the three months ended April 3, 2021 of $2.2 million consisted of $1.0 million in costs associated with early extinguishment of our revolving credit facility, $0.6 million in interest expense on our bank debt including $0.3 million in amortization of debt issuance costs, and foreign currency transaction losses of $0.3 million.

Net Loss

Net loss was $100.5 million in the three months ended April 2, 2022, compared to $27.3 million in the prior-year period. Net loss during the three months ended April 2, 2022 was primarily due to lower gross profit and higher operating expenses discussed above compared to the prior-year period.

Non-GAAP Financial Measures

We use the non-GAAP financial measures set forth below in assessing our operating performance and in our financial communications. Management believes these non-GAAP financial measures provide useful additional information to investors about current trends in our operations and are useful for period-over-period comparisons of operations. In addition, management uses these non-GAAP financial measures to assess operating performance and for business planning purposes. Management also believes these measures are widely used by investors, securities analysts, rating agencies and other parties in evaluating companies in our industry as a measure of our operational performance. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies.

"Adjusted EBITDA" is defined as net loss adjusted to exclude, when applicable, income tax expense, interest expense, depreciation and amortization expense, restructuring expenses, share-based compensation expense, expenses attributable to COVID-19, and Other, net, including interest income, loss on extinguishment of debt and foreign currency transaction gains and losses.

"Adjusted EBITDA as a % of net revenues" is defined as Adjusted EBITDA divided by net revenues.

There are a number of limitations related to the use of Adjusted EBITDA and Adjusted EBITDA as a % of net revenues rather than their most directly comparable GAAP measure. Some of these limitations are:

- Adjusted EBITDA excludes depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future increasing our cash requirements;
- Adjusted EBITDA does not reflect interest expense, or the cash required to service our debt, which reduces cash available to us;
- Adjusted EBITDA does not reflect income tax payments that reduce cash available to us;
- Adjusted EBITDA does not reflect restructuring expenses that reduce cash available to us;
- Adjusted EBITDA does not reflect expenses attributable to COVID-19 that reduce cash available to us;
- Adjusted EBITDA does not reflect share-based compensation expense and therefore does not include all of our compensation costs;
- Adjusted EBITDA does not reflect Other, net, including interest income, loss on extinguishment of debt and foreign currency transaction gains and losses, that may increase or decrease cash available to us; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

The following table presents the reconciliation of Adjusted EBITDA to its most comparable GAAP measure, net loss, as reported (unaudited):

(in thousands)	Three Months Ended April 2, 2022	Three Months Ended April 3, 2021
Net loss, as reported	$ (100,458)	$ (27,266)
Income tax expense	10	48
Interest expense	1,025	629
Depreciation and amortization expense	7,091	4,326
Restructuring expenses[1]	3,026	2,474
Share-based compensation expense	9,292	7,376
Other, net[2]	1,124	1,570
Adjusted EBITDA	$ (78,890)	$ (10,843)
Net loss as a % of net revenues	(91.8)%	(25.2)%
Adjusted EBITDA as a % of net revenues	(72.1)%	(10.0)%

(1) Primarily comprised of legal and other expenses associated with the dispute with a co-manufacturer with whom an exclusive supply agreement was terminated in May 2017.

(2) Includes $1.0 million in loss on extinguishment of debt in the three months ended April 3, 2021.

Liquidity and Capital Resources

Convertible Senior Notes

For a discussion about the Notes, see Note 7, *Debt*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Liquidity

Liquidity Outlook

In 2022, our cash from operations could be affected by various risks and uncertainties, including, but not limited to, the effects of COVID-19 and other risks detailed in Part I, Item 1A, “Risk Factors,” of our 2021 10-K and Part II, Item 1A, “Risk Factors” and “Note Regarding Forward-Looking Statements” included elsewhere in this report. The pandemic and hostilities in Eastern Europe have led to increased disruption and volatility in capital markets and credit markets generally which could adversely affect our liquidity and capital resources in the future. However, based on our current business plan, we believe that our existing cash balances will be sufficient to finance our operations and meet our foreseeable cash requirements through at least the next twelve months. In the future, we may raise funds by issuing debt or equity securities. Our cash requirements under our significant contractual obligations and commitments are listed below in the section titled “Contractual Obligations and Commitments.” Our future capital requirements may vary materially from those currently planned and will depend on many factors, including the impact of the COVID-19 pandemic; the number and characteristics of any additional products or manufacturing processes we develop or acquire to serve new or existing markets; our investment in and build out of our campus headquarters and expanding our Manhattan Beach Project Innovation Center; the expenses associated with our marketing initiatives; our investment in manufacturing and facilities to expand our manufacturing and production capacity; the costs required to fund domestic and international growth; the scope, progress, results and costs of researching and developing future products or improvements to existing products or manufacturing processes; any lawsuits related to our products or commenced against us, including the costs associated with our current litigation with a former co-manufacturer; the expenses needed to attract and retain skilled personnel; the costs associated with being a public company; the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property claims, including litigation costs and the outcome of such litigation; and the timing, receipt and amount of sales of, or royalties on, any future approved products, if any.

Sources of Liquidity

Our primary cash needs are for operating expenses, working capital and capital expenditures to support the planned growth in our business. Prior to our IPO, we financed our operations through private sales of equity securities and through sales of our products. Since our inception and through our IPO, we raised a total of $199.5 million from the sale of convertible preferred stock, including through sales of convertible notes which were converted into preferred stock, net of costs associated with such financings. In connection with our IPO, we sold an aggregate of 11,068,750 shares of our common stock at a public offering price of $25.00 per share and received approximately $252.4 million in net proceeds. In connection with our Secondary Offering, we sold 250,000 shares of our common stock at a public offering price of $160.00 per share and received approximately $37.4 million in net proceeds. In March 2021, we issued $1.2 billion in aggregate principal amount of Notes as discussed above. As of April 2, 2022, we had $547.9 million in cash and cash equivalents.

Cash Flows

In the three months ended April 2, 2022, approximately $64.6 million in aggregate expenditures to purchase inventory and property, plant and equipment and approximately $121.8 million in net cash outflows from other operating, investing and financing activities were funded with our existing cash balance.

The following table presents the major components of net cash flows used in and provided by operating, investing and financing activities for the periods indicated.

	Three Months Ended	
(in thousands)	**April 2, 2022**	**April 3, 2021**
Cash (used in) provided by:		
Operating activities	$ (165,210)	$ (30,657)
Investing activities	$ (21,499)	$ (23,381)
Financing activities	$ 331	$ 1,019,913

Net Cash Used in Operating Activities

In the three months ended April 2, 2022, we incurred a net loss of $100.5 million which was the primary reason for net cash used in operating activities of $165.2 million. Net cash outflows from changes in our operating assets and liabilities was $84.2 million, primarily due to the increase in finished goods inventory, prepaid lease costs related to our campus headquarters and innovation facility and accounts receivable. The cash outflows were partially offset by the increase in accrued expenses and other current liabilities. Net loss in the three months ended April 2, 2022 included $19.5 million in non-cash expenses primarily comprised of share-based compensation expense and depreciation and amortization expense.

In the three months ended April 3, 2021, we incurred a net loss of $27.3 million which was the primary reason for net cash used in operating activities of $30.7 million. Net cash outflows from changes in our operating assets and liabilities was $17.6 million, primarily due to the increase in finished goods inventory. The cash outflows from the increase in inventory was partially offset by the increase in accrued expenses and other current liabilities. Net loss in the three months ended April 3, 2021 included $14.2 million in non-cash expenses primarily comprised of share-based compensation expense and depreciation and amortization expense.

Depreciation and amortization expense was $7.1 million and $4.3 million in the three months ended April 2, 2022 and April 3, 2021, respectively.

Net Cash Used in Investing Activities

Net cash used in investing activities primarily relates to capital expenditures to support our growth and investment in property, plant and equipment.

In the three months ended April 2, 2022, net cash used in investing activities was $21.5 million and consisted of cash outflows for purchases of property, plant and equipment, primarily driven by continued investments in production equipment and facilities related to our capacity expansion initiatives and international expansion.

In the three months ended April 3, 2021, net cash used in investing activities was $23.4 million and consisted of $23.4 million in cash outflows for purchases of property, plant and equipment, primarily driven by growth in capital production equipment purchases related to our capacity expansion initiatives and international expansion.

Net Cash Provided by Financing Activities

In the three months ended April 2, 2022, net cash provided by financing activities was $0.3 million primarily from the $0.8 million in proceeds from stock option exercises, partially offset by $0.4 million in payments of minimum withholding taxes on net share settlement of equity awards, and payments under finance lease obligations.

In the three months ended April 3, 2021, net cash provided by financing activities was $1,019.9 million primarily from the proceeds of the Notes of $1,066.1 million and $2.9 million in proceeds from stock option exercises, partially offset by repayment of revolving credit facility of $25.0 million, debt issuance costs of $23.2 million associated with the Notes and $0.8 million in payments of minimum withholding taxes on net share settlement of equity awards, and payments under finance lease obligations.

Contractual Obligations and Commitments

There have been no significant changes during the three months ended April 2, 2022 to the contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in the 2021 10-K, other than the following:

Investment in the Planet Partnership

On January 25, 2021, we entered into TPP, a joint venture with PepsiCo, Inc., to develop, produce and market innovative snack and beverage products made from plant-based protein. We believe TPP will allow us to reach more consumers by entering new product categories and distribution channels, increasing accessibility to plant-based protein around the world. We recognized our share of the net losses in TPP in the amount of $0.7 million and $0.4 million for the three months ended April 2, 2022 and April 3, 2021, respectively.

Purchase Commitments

As of April 2, 2022, we had committed to purchase pea protein inventory totaling $34.6 million in 2022. In addition, as of April 2, 2022, we had approximately $57.1 million in purchase order commitments for capital expenditures primarily to purchase machinery and equipment. Payments for these purchases will be due within twelve months.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements or any holdings in variable interest entities.

Critical Accounting Policies

In preparing our financial statements in accordance with GAAP, we are required to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, costs and expenses, and disclosure of contingent assets and liabilities that are reported in the financial statements and accompanying disclosures.

We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results may differ from these estimates and assumptions. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

There have been no material changes in our critical accounting policies during the three months ended April 2, 2022, as compared to those disclosed in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies” in the 2021 10-K other than as described in Note 2, *Summary of Significant Accounting Policies*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Recent Accounting Pronouncements

Please refer to Note 2, *Summary of Significant Accounting Policies*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report for a discussion of recently adopted accounting pronouncements and new accounting pronouncements that may impact us.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to certain market risks in the ordinary course of our business, including fluctuations in interest rates, raw material prices, foreign currency exchange fluctuations, and inflation as follows:

Interest Rate Risk

Our cash consists of amounts held by third-party financial institutions. Our investment policy has as its primary objective investment activities which preserve principal without significantly increasing risk.

On March 2, 2021, we terminated the Credit Agreement. In the three months ended April 2, 2022 and April 3, 2021, we incurred $0 and $0.3 million, respectively, in interest expense related to our bank credit facilities. Upon termination of the revolving credit facility, unamortized debt issuance costs of $1.0 million associated with the revolving credit facility were written off as “Loss on extinguishment of debt,” which is included in “Other, net” in our condensed consolidated statement of operations for the three months ended April 3, 2021.There was no similar transaction in the three months ended April 2, 2022.

On March 5, 2021, we issued $1.0 billion aggregate principal amount of Convertible Notes and on March 16, 2021, we issued $150.0 million aggregate principal amount of Additional Notes. The proceeds from the issuance of the Notes were approximately $1.0 billion, net of capped call transaction costs of $84.0 million and debt issuance costs totaling $23.6 million. See Note 7, *Debt*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report. The Notes do not bear regular interest, and the principal amount of the Notes do not accrete. However, special interest and additional interest may accrue on the Notes at a rate per annum not exceeding 0.50% (subject to certain exceptions) upon the occurrence of certain events relating to the failure to file certain SEC reports or to remove certain restrictive legends from the Notes.

Ingredient Risk

As of April 2, 2022, a hypothetical 10% increase or 10% decrease in the weighted-average cost of pea protein, our primary ingredient, would have resulted in an increase of approximately $0.8 million, or a decrease of approximately $0.8 million, respectively, to cost of goods sold. We are working to diversify our sources of supply and intend to enter into long-term contracts to better ensure stability of prices of our raw materials. As of April 2, 2022, we had a multi-year sales agreement with Roquette for the supply of pea protein which expires in December 2022. See Note 10, *Commitments and Contingencies*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Foreign Currency Risk

Unrealized translation losses, net of tax, reported as cumulative translation adjustments through “Other comprehensive loss” were $0.7 million and $1.3 million in the three months ended April 2, 2022 and April 3, 2021, respectively. Foreign currency transaction losses included in “Other, net” were $1.1 million and $0.3 million during the three months ended April 2, 2022 and April 3, 2021, respectively. Sensitivity to foreign currency exchange rates was not material as of April 2, 2022 and December 31, 2021.

Inflation Risk

Although we have seen inflation in certain raw materials, and in the cost of logistics and labor, we do not believe that inflation has had a material effect on our business, results of operations, or financial condition. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, results of operations and financial condition.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended April 2, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed 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. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

Part II. Other Information

ITEM 1. LEGAL PROCEEDINGS.

We are subject to various legal proceedings and claims that arise in the ordinary course of our business. The Company establishes an accrued liability for legal matters when those matters present loss contingencies that are both probable and estimable. Although the outcome of these and other claims cannot be predicted with certainty, management is not currently able to estimate the reasonable possible amount of loss or range of loss and does not believe that it is probable that the ultimate resolution of the current matters will have a material adverse effect on our business, financial condition, results of operations or cash flows. However, the final results of any current or future proceeding cannot be predicted with certainty, and until there is final resolution on any such matter that we may be required to accrue for, we may be exposed to loss in excess of the amount accrued. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

For a description of our material pending legal proceedings, please see Note 10, *Commitments and Contingencies*, of the Notes to Unaudited Consolidated Financial Statements included elsewhere in this report.

ITEM 1A. RISK FACTORS.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” in our 2021 10-K, as updated and supplemented below and in our subsequent filings. These risks could materially harm our business, operating results and financial condition. Additional factors and uncertainties not currently known to us or that we currently consider immaterial also may materially adversely affect our business, financial condition or future results.

Risk Factors

Risks Related to Our Business

The COVID-19 pandemic has had, and we expect will continue to have, a material adverse impact on our business, results of operations, financial condition and cash flows and may adversely impact the trading price of our common stock.

The global spread and unprecedented impact of COVID-19 continues to create significant volatility, uncertainty and economic disruption. COVID-19 has led governments and other authorities around the world to implement significant measures intended to control the spread of the virus, including social distancing measures, business closures or restrictions on operations, quarantines and travel bans. While some of these restrictions have been lifted or eased in many jurisdictions as the rates of COVID-19 infections have decreased or stabilized and various COVID-19 vaccines are being distributed, a resurgence of COVID-19 and the impact of variants of the virus that causes COVID-19 in some markets has slowed the reopening process, could halt or reverse the reopening process, or result in the reinstatement of social distancing measures, business closures, restrictions on operations, quarantines and travel bans. Additionally, on November 4, 2021, the U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA) issued a COVID-19 Vaccination and Testing Emergency Temporary Standard requiring all employers with 100 or more employees to ensure that their employees are fully vaccinated or tests for COVID-19 on at least a weekly basis. The OSHA rule also requires that these employers provide paid time for employees to get vaccinated, and ensure all unvaccinated workers wear a face mask in the workplace. While the U.S. Supreme Court stayed the OSHA rule in January 2022, it is not currently possible to predict with any certainty whether the stay will be lifted, the exact impact the new regulation would have on our company, suppliers and customers. As a company with more than 100 employees, under the OSHA rule, we would be required to mandate COVID-19 vaccination of our workforce or require our unvaccinated employees to be tested weekly. Some employers, including the Company, already have implemented requirements for workers regarding vaccination status, testing, and/or other measures in response to COVID-19. The Company has required compliance with its COVID-19 vaccination policy since October 31, 2021 for all California based employees, and December 31, 2021 for all other U.S. based employees, subject to any special exceptions or other approved reasonable accommodations. This policy and the OSHA standard could result in employee attrition, difficulty securing future labor and supply needs and may have an adverse effect on future profit margins.

Even if not required by governments and other authorities, companies are continuing to take various safety precautions, such as requiring employees to be vaccinated, employees to work remotely, imposing travel restrictions, reducing operating hours, imposing operating restrictions and temporarily closing businesses. These continuing restrictions, and future prevention and mitigation measures, imposed by governments and companies, are likely to continue to have an adverse impact on global economic conditions and consumer confidence and spending (including as a result of lower discretionary income due to unemployment or reduced or limited work as a result of measures taken in response to the pandemic), which has had, and is expected to continue to have, a material adverse impact on the demand for our products, particularly in our foodservice channel, and could materially adversely affect the supply of our products. Sustained market turmoil and business disruption due to COVID-19 have negatively impacted and are expected to continue to negatively impact our business, results of operations, financial condition and cash flows.

Impact of COVID-19 on our foodservice channel

COVID-19 has impacted business operations and customer and consumer demand in our foodservice channel as restaurants and other foodservice locations have been required to temporarily close or restrict indoor dining to limit the spread of COVID-19 or because of labor shortages. Although certain of these restrictions were lifted pursuant to multi-step reopening plans and exceptions to allow for carry-out and delivery have enabled certain of our customers to continue to generate business, we experienced a significant deterioration in sales to foodservice customers in 2020. For the year ended December 31, 2021, foodservice channel net revenues were $139.9 million compared to $106.2 million in the prior year. For the first quarter of 2022, foodservice channel net revenues were $25.1 million compared to $27.1 million in the prior-year period, a 8% decline. Our foodservice channel net revenues showed recovery in the year ended December 31, 2021 from the severely depressed levels seen in the prior-year period, however foodservice channel net revenues for the first quarter of 2022 declined from the same period in the prior year. There is continued uncertainty related to the COVID-19 infection rates, as well as the reimplementation of safety measures in certain jurisdictions, and potential impact on customer demand levels. We expect to also continue to be impacted by decreased customer and consumer demand as a result of event cancellations and social distancing, government-imposed restrictions on public gatherings and businesses, and temporary restaurant and retail store closures and operating restrictions. Closures or scaled back operations have also resulted in delays in tests or launches of our products among our foodservice customers.

Impact of COVID-19 on our retail channel

While we initially experienced an increase in retail demand during the second quarter of 2020 as consumers shifted toward more at-home consumption as a result of the pandemic, the level of retail demand meaningfully slowed during the third and fourth quarters of 2020 and continued into 2021. For example, for the second quarter ended July 3, 2021, we generated retail channel net revenues of $105.7 million, compared to $73.8 million in the third quarter ended October 2, 2021, and $64.3 million in the fourth quarter ended December 31, 2021. For the first quarter of 2022, retail channel net revenues were $84.4 million compared to $81.0 million in the prior-year period, a 4% increase. The continuing impact of COVID-19 remains highly uncertain. It is, therefore, difficult to predict retail demand levels going forward, including as a result of foodservice establishments opening and potentially offsetting retail demand. Additionally, we could suffer product inventory losses or markdowns and lost revenue in the event of the loss or a shutdown of a major supplier, co-manufacturer or distributor, disruption of our distribution network, or decreased consumer confidence and spending, including because of labor shortages. We also have been providing heavier discounting on some of our products in response to COVID-19 and increased competition. Although these actions are intended to build brand awareness and increase consumer trials of our products, they have and are likely to continue to have a negative impact on our net revenues, gross profit, gross margin and profitability, impacting period-over-period results.

Impact of COVID-19 on our suppliers, co-manufacturers and distributors

We source ingredients from multiple suppliers around the world. Currently, the principal ingredient in most of our products is pea protein. In 2020, we scaled back our production in response to COVID-19 and to reduce our existing finished goods and work in process inventory levels, and saw an increase in our pea protein stocks. However, in light of the expected shelf life of our pea protein raw materials, we do not believe there is a risk of inventory obsolescence of these raw materials at this time. The impact of COVID-19 on any of our suppliers, co-manufacturers, distributors or transportation or logistics providers, including government-mandated lockdowns, problems with their respective businesses, finances, labor matters (including illness or absenteeism in workforce, or effects of government or employer vaccine mandates), ability to import raw materials, product quality issues, costs, production, insurance and reputation, may negatively affect the price and availability of our ingredients and/or packaging materials and impact our supply chain. In addition, if the disruptions caused by COVID-19 continue or there are additional resurgences of COVID-19 and the appearance of more virulent variants of the virus that causes COVID-19, our ability to meet the demands of our customers may be materially impacted.

Impact of COVID-19 on our manufacturing operations and workforce

We have implemented and continue to practice a series of hygienic measures at our manufacturing and other facilities. If we are forced to scale back hours of production or close these facilities in response to the pandemic, we expect our business, results of operations, financial condition and cash flows would be materially adversely affected. Beginning in October 2021, we began requiring headquarters-based employees to return to working in the office. In the event that an employee tests positive for COVID-19, we may have to temporarily close one or more of our facilities for cleaning and/or quarantine one or more employees, which could negatively impact our operations and financial results. We have incurred and may be required to continue to incur for an indeterminable period, increased costs related to sanitizing the work environment and overall increased safety measures. The ultimate impact of the COVID-19 pandemic on our operations and financial performance depends on many factors that are not within our control.

Impact of COVID-19 on our international expansion and access to capital

Part of our growth strategy includes increasing the number of international customers and expanding into additional geographies. For example, in the second quarter of 2021, our manufacturing facility in Europe located in Enschede, the Netherlands, completed commercial trial runs for dry blend production and completed commercial trial runs for our extruded product in the third quarter of 2021. As of the end of 2021, this facility is fully operational, manufacturing our extruded product and dry blends that go into making our finished goods.

Also in the second quarter of 2021, several commercial trials of certain of our manufacturing processes were completed in our new end-to-end manufacturing facility in the Jiaxing Economic & Technological Development Zone near Shanghai. In the third quarter of 2021, the facility successfully completed the qualification of extrusion production capabilities and in the fourth quarter of 2021, the facility successfully completed the international Food Safety System Certification (FSSC) 22000 and ISA Halal certification. The facility completed commercialization of end-to-end production at the end of 2021. In the fourth quarter of 2021, we also leased a 12,100 square foot facility in Shanghai, which will be used as a local research and development facility to support our local manufacturing operations. The timing and success of our ongoing international expansion efforts may be negatively impacted by COVID-19, which could impede our anticipated growth.

We may be subject to special COVID-19 related requirements, restrictions and testing, including those applicable to cold-chain food distribution, when our products or ingredients are imported into or circulated through Mainland China. If we do not comply with these requirements and/or our product tests positive for coronavirus, our ability to import or distribute our product may be negatively impacted and may result in recalls, administrative fines and civil liability, particularly if the problem results in sickness or injury.

Additionally, COVID-19 has created significant disruptions in the credit and financial markets, which could adversely affect our ability to access capital on favorable terms or at all.

The extent of COVID-19's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic (including any additional resurgences), impact of variants of the virus that causes COVID-19, the wide distribution and public acceptance of the various COVID-19 vaccines and their efficacy against COVID-19 and variants of the virus, labor needs at the Company as well as in the supply chain and at customers, compliance with government or employer COVID-19 vaccine mandates and the resulting impact on available labor, the level of social and economic restrictions imposed in the United States and abroad in an effort to curb the spread of the virus, and the impact on consumer behavior, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. Furthermore, the uncertainty created by COVID-19 significantly increases the difficulty in forecasting operating results and strategic planning. As a result, it is not currently possible to ascertain the ultimate impact of COVID-19 on our business, results of operations, financial condition or liquidity. However, COVID-19 has had and is expected to continue to have a material adverse impact on our business, results of operations, financial condition and cash flows and may adversely impact the trading price of our common stock. While the ultimate health and economic impact of COVID-19 continues to be highly uncertain, our business operations and results of operations, including our net revenues, gross profit, gross margin, earnings and cash flows, may be adversely impacted in 2022. Future events and effects related to the COVID-19 pandemic cannot be determined with precision and actual results could significantly differ from estimates or forecasts. The impact of COVID-19 may also heighten other risks discussed in this report.

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

The global economy can be negatively impacted by a variety of factors such as the spread or fear of spread of contagious diseases (such as COVID-19) in locations where our products are sold, man-made or natural disasters, severe weather, actual or threatened hostilities or war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty. Such adverse and uncertain economic conditions may impact distributor, retailer, foodservice and consumer demand for our products. Furthermore, in connection with the recent hostilities between Russia and Ukraine, governments in the U.S., U.K. and the EU have each imposed export controls on certain products and financial and economic sanctions on certain industry sectors and parties in Russia. The uncertainty resulting from the military conflict in Europe may give rise to increases in costs of goods and services, scarcity of certain ingredients, increased trade barriers or restrictions on global trade and may increase volatility in financial markets, which may make it more difficult for us to raise additional capital. Further escalation of geopolitical tensions could have a broader impact that expands into other markets where we do business, which could adversely affect our business and/or our supply chain, our international subsidiaries, business partners or customers in the broader region, including potential destabilizing effects that such conflicts may pose for the European continent or the global oil and natural gas markets. In addition, our ability to manage normal commercial relationships with our suppliers, co-manufacturers, distributors, retailers, foodservice customers, consumers and creditors may suffer. Consumers may shift purchases to lower-priced or other perceived value offerings during economic downturns as a result of various factors, including job losses, inflation, higher taxes, reduced access to credit, change in federal economic policy and recent international trade disputes. In particular, consumers may reduce the amount of plant-based food products that they purchase where there are conventional animal-based protein offerings, which generally have lower retail prices. In addition, consumers may choose to purchase private label products rather than branded products because they are generally less expensive. A decrease in consumer discretionary spending may also result in consumers reducing the frequency and amount spent on food prepared away from home. Distributors, retailers and foodservice 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, retailer 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. Decreases in demand for our products without a corresponding decrease in costs would put downward pressure on margins and would negatively impact our financial results. Prolonged unfavorable economic conditions or uncertainty may have an adverse effect on our sales and profitability and may result in consumers making long-lasting changes to their discretionary spending behavior on a more permanent basis.

Inflationary price pressures of raw materials, labor, transportation, fuel or other inputs used by us and our suppliers, including the effects of rising interest rates, could negatively impact our business and results of operations.

Increases in the price of raw materials, labor, wages, energy or other inputs that we or our suppliers use in manufacturing and supplying products, along with logistics, transportation, shipping, fuel and other related costs, has led to higher production and shipping costs for our products. Any increase in the cost of inputs to our production could lead to higher costs for our products in our foodservice and retail channels and could negatively impact our operating results and future profitability. General inflation, including rising energy prices, interest rates and wages, currency volatility and monetary, fiscal and policy interventions by national or regional governments in reaction to such events could have negative impacts on our business by increasing our operating costs and our borrowing costs as well as decreasing the capital available for our customers to purchase our products. The impact of inflation could also reduce consumer confidence and decrease consumer discretionary spending, including spending to purchase our products, and negatively affect trends in consumer purchasing patterns due to changes in consumers' disposable income, credit availability and debt levels.

Our business and reputation could be negatively impacted by the increased scrutiny from our stakeholders and institutional investors on ESG practices.

There is an increased focus from stockholders, institutional investors and the SEC on corporate ESG practices, including climate change and related ESG disclosure requirements. Certain stockholders use third-party benchmarks or scores to measure a company's ESG practices and decide whether to invest in their common stock or engage with them to require changes to their practices. In addition, certain influential institutional investors are also increasing their focus on ESG practices and are placing importance on the implications and social cost of their investments. Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting, diligence and disclosure on topics such as climate change, human capital, labor and risk oversight, could expand the nature, scope and complexity of matters that we are required to control, assess and report. If our ESG practices do not meet the standards set by these stockholders, they may choose not to invest in our common stock or if our peer companies outperform us in their ESG initiatives, potential or current investors may elect to invest with our competitors instead. If we do not comply with investor or stockholder expectations and standards in connection with our ESG initiatives, are perceived to have not responded appropriately to address ESG issues within our company, or fail to adapt to or comply with all laws, regulations, policies and related interpretations, our business and reputation could be negatively impacted and our share price could be materially and adversely affected.

The Company is subject to accounting estimate risks.

The preparation of the Company's consolidated financial statements in conformity with generally accepted accounting principles requires management to make significant estimates that affect the financial statements. Estimates are made at specific points in time and based on facts, historical experience and various other factors believed to be reasonable under the circumstances at such time. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of our operations and cash flows.

Risks Related to Our Intellectual Property, Information Technology, Cybersecurity and Privacy

A cybersecurity incident, other technology disruptions or failure to comply with laws and regulations relating to privacy and the protection of data relating to individuals could negatively impact our business, our reputation and our relationships with customers.

We use computers in substantially all aspects of our business operations. We also use mobile devices, social networking and other online activities to connect with our employees, suppliers, co-manufacturers, distributors, customers and consumers. Such uses give rise to cybersecurity risks, including security breaches, espionage, system disruption, theft and inadvertent release of information. Moreover, a significant subset of our office-based employee population temporarily transitioned to a remote work environment in an effort to mitigate the spread of the COVID-19 pandemic, which may exacerbate certain of these risks due to an increase in the number of points of potential attack, such as laptops and mobile devices. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including customers' and suppliers' information, private information about employees and financial and strategic information about us and our business partners. Further, as we pursue new initiatives that improve our operations and cost structure, potentially including acquisitions, we may also be expand and improve our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with new initiatives or acquisitions, we may become increasingly vulnerable to such risks. Additionally, while we have implemented measures to prevent security breaches and cyber incidents, our preventative measures and incident response efforts may not be entirely effective. The theft, destruction, loss, misappropriation, or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of customers, potential liability and competitive disadvantage all of which could have a material adverse effect on our business, financial condition or results of operations.

In addition, we are subject to laws, rules and regulations in the United States, the European Union and other jurisdictions relating to the collection, use and security of personal information and data. Such data privacy laws, regulations and other obligations may require us to change our business practices and may negatively impact our ability to expand our business and pursue business opportunities. We may incur significant expenses to comply with the laws, regulations and other obligations that apply to us. Additionally, the privacy and data protection-related laws, rules and regulations applicable to us are subject to significant change. Several jurisdictions have passed new laws and regulations in this area, and other jurisdictions are considering imposing additional restrictions. For example, our operations are subject to the European Union's General Data Protection Regulation, which imposes data privacy and security requirements on companies doing business in the European Union, including substantial penalties for non-compliance. The California Consumer Privacy Act (the "CCPA"), which went into effect on January 1, 2020, imposes similar requirements on companies handling data of California residents and creates a new and potentially severe statutory damages framework for (i) violations of the CCPA and (ii) businesses that fail to implement reasonable security procedures and practices to prevent data breaches. The California Privacy Rights Act, which was approved by California voters in November 2020, will significantly modify the CCPA, including by expanding consumer's rights in their personal information and creating a new governmental agency to interpret and enforce the statute, and goes into effect and fully supersedes the CCPA on January 1, 2023. Additionally, in August 2021, the National People's Congress of the People's Republic of China adopted the Personal Information Protection Law, which became effective on November 1, 2021 and provides a comprehensive system for the protection of personal information in China. Privacy and data protection-related laws and regulations also may be interpreted and enforced inconsistently over time and from jurisdiction to jurisdiction. Any actual or perceived inability to comply with applicable privacy or data protection laws, regulations, or other obligations could result in significant cost and liability, litigation or governmental investigations, damage our reputation, and adversely affect our business.

Risks Related to Our Lease Obligations, Indebtedness, Financial Position and Need for Additional Capital

We may require additional financing to achieve our goals, and a 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.

Since our inception, substantially all of our resources have been dedicated to the development of our three core plant-based product platforms of beef, pork and poultry, including purchases of property, plant and equipment, principally to support the development and production of our products, the build-out and equipping of our Manhattan Beach Project Innovation Center, and the purchase, build-out and equipping of manufacturing facilities in the U.S. and abroad. We have and believe that we will continue to expend substantial resources for the foreseeable future as we expand into additional markets we may choose to pursue. These expenditures are expected to include costs associated with research and development, manufacturing and supply, as well as marketing and selling existing and new products. In addition, other unanticipated costs may arise.

As of April 2, 2022, we had cash and cash equivalents of $547.9 million. 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, such as strategic collaborations. Such financing may result in dilution to stockholders, imposition of debt covenants and repayment obligations, or other restrictions that may adversely affect our business. 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. However, the capital markets may experience extreme volatility and disruption, including rising interest rates and higher borrowing costs, which could make it more difficult for us to raise capital. If we cannot access the capital markets upon favorable terms or at all, it may impact our ability to achieve our goals.

Our future capital requirements depend on many factors, including:

- the number and characteristics of any additional products or manufacturing processes we develop or acquire to serve new or existing markets;
- the expenses associated with our marketing initiatives;
- our investment in manufacturing to expand our manufacturing and production capacity;
- our investments in real property and joint ventures;
- the costs required to fund domestic and international operations and growth;
- the scope, progress, results and costs of researching and developing future products or improvements to existing products or manufacturing processes;
- any lawsuits related to our products or commenced against us, including the costs associated with our current litigation with a former co-manufacturer, or the derivative actions brought against certain of our directors and officers;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, any future approved products, if any.

Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to:

- delay, limit, reduce or terminate our manufacturing, research and development activities or our growth and expansion plans; or
- delay, limit, reduce or terminate our establishment of sales and marketing capabilities or other activities that may be necessary to generate revenue and achieve profitability.

Risks Related to the Environment, Climate and Weather

A major earthquake, tsunami, tornado, flood, drought or other natural disaster or severe weather event could seriously disrupt our entire business.

We have offices, co-manufacturing and manufacturing facilities located in the United States and internationally. The impact of a major earthquake, tsunami, tornado, flood, drought or other natural disaster or severe weather event at any of our facilities and overall operations is difficult to predict, but such a natural disaster or severe weather event could seriously disrupt our entire business and lead to substantial losses.

Climate change may negatively affect our business and operations.

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Adverse climate conditions, weather patterns and the impact of such conditions and patterns such as drought, flood, wildfires, mudslides and rising ambient temperatures adversely impact product cultivation conditions for farmers and agricultural productivity, including by disrupting ecosystems and severely altering the growing conditions, nutrient levels, soil moisture and water availability necessary for the growth and cultivation of crops, which would adversely affect the product quality, availability or cost of certain commodities that are necessary for our products, such as yellow peas, mung beans, sunflowers, rice, faba bean, canola oil and coconut oil. Many of our operations exist in water-stressed regions and water is a key ingredient in our products. Due to climate change, we may also be subjected to decreased availability of water, deteriorated quality of water or less favorable pricing for water, which could adversely impact our manufacturing and distribution operations.

Risks Related to Regulatory and Legal Compliance Matters, Litigation and Legal Proceedings

Our operations are subject to FDA governmental regulation and other foreign, federal, state and local regulation, and there is no assurance that we will be in compliance with all regulations.

Our operations are subject to extensive regulation by the FDA, and other foreign, federal, state and local authorities. Specifically, for products manufactured or sold in the United States we are subject to the requirements of the Federal Food, Drug and Cosmetic Act 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 food. Under this program, the FDA requires that facilities that manufacture food products comply with a range of requirements, including hazard analysis and preventive controls regulations, current good manufacturing practices ("cGMPs"), and supplier verification requirements. Comparable regulations apply in foreign jurisdictions such as the European Union, the United Kingdom and China. Our processing and manufacturing facilities, including those of our co-manufacturers, are subject to periodic inspection by foreign, federal, state and local authorities. We do not control the manufacturing processes of, and rely upon, our co-manufacturers for compliance with cGMPs for the manufacturing of our products 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 or other non-U.S. regulators, 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 inability to manufacture our products or 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 FDA or a comparable state, local or 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 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 laboratories that conduct analyses of products to ensure compliance with nutrition labeling requirements and to identify any potential contaminants before distribution. Failure by us or our co-manufacturers to comply with applicable laws and regulations 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 or prohibitions 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.

We are subject to international regulations that could adversely affect our business and results of operations.

We are subject to extensive regulations internationally where we manufacture, distribute and/or sell our products. Our products are subject to numerous food safety and other laws and regulations relating to the sourcing, manufacturing, composition and ingredients, storing, labeling, marketing, advertising and distribution of these products. For example, in early 2018, we received an inquiry from Canadian officials about the labeling and composition of products that we export to Canada. We responded promptly to that inquiry, identifying minor formulation changes that we made under Canadian regulations. If regulators determine that the labeling, advertising and/or composition of any of our products is not in compliance with foreign law or regulations, or if we or our co-manufacturers otherwise fail to comply with applicable laws and regulations in foreign jurisdictions where we operate and market products, we could be subject to civil remedies or penalties, such as fines, injunctions, recalls or seizures, warning letters, restrictions on the marketing or manufacturing of the products, or refusals to permit the import or export of products, as well as potential criminal sanctions. In places like Mainland China government inquiries into product labeling and advertising can be prompted by random inspections of our product on the market by local government authorities or complaints by consumers or competitors to the authorities. The consequences of a labeling or advertising violation in China can lead not only to fines from administrative authorities but also to multiple individual consumer lawsuits for nominal damages in the hundreds of dollars each, which can be costly to defend. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial condition or operating results. For example, China has recently introduced new regulations on food manufacturing and it may introduce new Food Labeling Supervision Measures that could increase restrictions and require changes to our labels. In addition, with our expanding international operations, we could be adversely affected by violations of the FCPA, and similar worldwide anti-bribery laws, which generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials or other third parties for the purpose of obtaining or retaining business. While our policies mandate compliance with these anti-bribery laws, our internal control policies and procedures may not protect us from reckless or criminal acts committed by our employees, contractors or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, cash flows and financial condition.

Any changes in, or changes in the interpretation of, applicable laws, regulations or policies of the FDA or U.S. Department of Agriculture, or USDA, state regulators or similar foreign regulatory authorities that relate to the use of the word "meat" or other similar words in connection with plant-based protein products could adversely affect our business, prospects, results of operations or financial condition.

The FDA and the USDA, state regulators or similar foreign regulatory authorities, such as Health Canada or the CFIA, or authorities of the U.K., the EU or the EU member states, or China, including the State Administration for Market Regulation and its local counterpart agencies, could take action to impact our ability to use the term "meat" or similar words (such as "beef," "burger" or "sausage," including the Beyond Meat logo of the Caped Longhorn superhero) to describe or advertise our products. In addition, a food may be deemed misbranded if its labeling is false or misleading in any particular way, and the FDA, CFIA, EU member state authorities or other regulators could interpret the use of the term "meat" or any similar phrase(s) to describe our plant-based protein products as false or misleading or likely to create an erroneous impression regarding their composition.

For example, in 2018, the state of Missouri passed a law prohibiting any person engaged in advertising, offering for sale, or sale of food products from misrepresenting a product as meat that is not derived from harvested production livestock or poultry. The state of Missouri Department of Agriculture has clarified its interpretation that products which include prominent disclosure that the product is “made from plants,” or comparable disclosure such as through the use of the phrase “plant-based,” are not misrepresented under the Missouri law. Additional states, including Arkansas, Georgia, Mississippi, Louisiana, Oklahoma, South Dakota and Wyoming, have subsequently passed similar laws, and legislation that would impose specific requirements on the naming of plant-based meat products is currently pending in a number of other states. The United States Congress recently considered (but did not pass) federal legislation, called the Real MEAT Act, that could require changes to our product labeling and marketing, including identifying products as “imitation” meat products, and that would give USDA certain oversight over the labeling of plant-based meat products. If similar bills gain traction and ultimately become law, we could be required to identify our products as “imitation” in our product labels. Further, while we do not believe that USDA has the statutory authority to regulate plant-based products under the current legislative framework, USDA is considering naming requirements for other types of alternative protein products that could impact our naming expectations. Canadian Food and Drug Regulations also provide requirements for “simulated meat” products, including requirements around composition and naming.

In Europe, the Agriculture Committee of the European Parliament proposed in May 2019 to reserve the use of “meat” and meat-related terms and names for products that are manufactured from the edible parts of animals. In October 2020, the European Parliament rejected the adoption of this provision. In the absence of European Union legislation, Member States remain free to establish national restrictions on meat-related names. In June 2020, France adopted a prohibition on using names to indicate foodstuffs of animal origin to describe, market, or promote foodstuffs containing vegetable proteins. In October 2021, France published a draft implementing decree, to define, for example, the sanctions in case of non-compliance. The Decree was due to enter into force in April 2022, but has not yet been adopted. There is a risk that this new law will require labeling of products of non-French origin. We do not believe that the new French decree complies with the laws of the European Union (EU), in particular the principle of free movement of goods. In November 2021, Beyond Meat co-signed a letter from the European Alliance of Plant-Based Foods protesting this law. Should EU Member State regulatory authorities take action with respect to the use of the term “meat” or similar claims, such that we are unable to use those terms with respect to our plant-based products, we could be subject to enforcement action or recall of our products marketed with these terms, we may be required to modify our marketing strategy, or required to identify our products as “imitation” in our product labels, and our business, prospects, results of operations or financial condition could be adversely affected. In October 2021, the Turkish authorities challenged the use of the Caped Longhorn superhero logo, as well as the name “Beyond Meat,” alleging that the consumer is misled as to the characteristics of our products. The local distributor has made a submission that this is an unlawful restriction under the EU-Turkey Free Trade Agreement. In December 2021, the Turkish authorities rejected this submission, and held that references to “plant-based” in combination with “meat” would mislead the consumer. Following this outcome, we have decided to suspend sales in Turkey until market conditions become more favorable. Separately, litigation by competitors against us is a possibility which has materialized in France. In October 2020, Interbev, a French trade association for the cattle industry sent a cease-and-desist letter to one of our contract manufacturers alleging that the use of “meat” and meat-related terms is misleading the French consumer. Despite our best efforts to reach a settlement, including a formal settlement proposal from the Company in March 2021, the association no longer responded. Instead, on March 13, 2022, the Company was served a summons from Interbev to appear before the Commercial Court of Paris. The summons alleges that the Company misleads the French consumer with references to e.g. "plant based meat", "plant based burger" and related descriptive names, and alleges that the Company is denigrating meat and meat products. The relief sought by Interbev includes (i) changing the presentation of Beyond Meat products to avoid any potential confusion with meat products, (ii) publication of the judgment of the court in the media, and (iii) damages of EUR 200,000. The Company strongly denies these claims and will defend its position with the utmost vigor. The litigation is expected to take at least 18 months in first instance, and if the Court rules against the company, it could disrupt our ability to market in France. Should the case be referred to the Court of Justice of the European Union, this case may have repercussions for the entire plant-based protein industry, in all member states of the European Union.

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

From time to time, we may be party to various claims and litigation 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 our assessments and estimates. For information regarding pending legal proceedings, please see Part II, Item I, "Legal Proceedings" and Note 10, *Commitments and Contingencies*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Even when not merited, the defense of these lawsuits 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 some 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 litigation, 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 self-insured retentions, various exclusions as well as 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Restated Certificate of Incorporation.	10-Q	6/12/2019	3.1	
3.2	Amended and Restated Bylaws.	10-Q	6/12/2019	3.2	
4.1	Form of Common Stock Certificate.	S-1/A	3/27/2019	4.1	
4.2	Amended and Restated Investors' Rights Agreement, dated as of October 5, 2018, by and among the Registrant and the other parties thereto.	S-1	11/16/2018	4.2	
4.3	Description of Registrant's Securities.	10-K	3/19/2020	4.3	
4.4	Indenture, dated as of March 5, 2021, between Beyond Meat, Inc. and U.S. Bank National Association, as trustee.	8-K	3/05/2021	4.1	
4.5	Form of certificate representing 0% Convertible Senior Notes due 2027 (included as Exhibit A in Exhibit 4.1 to the Form 8-K filed on March 5, 2021).	8-K	3/05/2021	4.1	
10.1	Fourth Lease Amendment dated as of March 9, 2022 to Lease dated March 13, 2014, as amended, by and between Sara Maguire LeMone as Trustee of the Sara Maguire LeMone Revocable Trust dated February 6, 2004 and Registrant.				X
10.2	Second Amendment dated as of January 27, 2022 to Standard Industrial/Commercial Single-Tenant Lease, dated as of January 18, 2017, as amended, by and between Smoky Hollow Industries, LLC and Registrant.				X
10.3+	Third Amendment dated as of March 28, 2022 to Standard Industrial/Commercial Single-Tenant Lease, dated as of January 18, 2017, as amended, by and between Smoky Hollow Industries, LLC and Registrant.				X
10.4*+	Consulting Agreement dated April 1, 2022 by and between Beyond Meat, Inc. and Gary Schultz.				X
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 2022 formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

+ Certain portions of this document that constitute confidential information have been redacted in accordance with Regulation S-K, Item 601(b)(10).

* Indicates management contract or compensatory plan or arrangement.

** This certification is deemed furnished, and not filed, with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Beyond Meat, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements 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.

BEYOND MEAT, INC.

Date:	May 12, 2022	By:	/s/ Ethan Brown
			Ethan Brown President and Chief Executive Officer (Principal Executive Officer)
Date:	May 12, 2022	By:	/s/ Philip E. Hardin
			Philip E. Hardin Chief Financial Officer, Treasurer (Principal Financial Officer)

Exhibit 10.1

FOURTH LEASE AMENDMENT

THIS FOURTH LEASE AMENDMENT (this "**Amendment**") is made and entered into on March 9th, 2022, by and between Sara Maguire LeMone as Trustee of the Sara Maguire LeMone Revocable Trust dated February 6, 2004, hereinafter "**Landlord**," and BEYOND MEAT, INC., a Delaware corporation f/k/a Savage River, Inc., hereinafter "**Tenant**." Defined terms used but not defined in this Amendment have the definitions ascribed to such terms in the Lease (as defined below).

WHEREAS, Landlord and Tenant entered into that certain Lease dated March 13, 2014 (the "**Original Lease**"), which was amended by (a) the Lease Amendment dated November 1, 2017 (the "**First Lease Amendment**"), and (b) the Second Lease Amendment dated May 6, 2019 (the "**Second Lease Amendment**"), and (c) the Third Lease Amendment dated March 16, 2020 (the "**Third Lease Amendment**", and with the Original Lease, First Lease Amendment and Second Lease Amendment, the "**Lease**") whereunder Tenant is leasing from Landlord the premises defined in the Lease as being 26,000 square feet of interior space in the building known as 1714 Commerce Court, Columbia, Missouri; and

WHEREAS, Landlord and Tenant now wish to modify the Lease by, among other things, having the Lease continue in full force and effect and extending the Lease Term, all under the provisions of this Amendment.

NOW THEREFORE, for and in consideration of the mutual agreements and covenants in this Amendment, Landlord and Tenant hereby agree as follows:

1. **Extension of Lease Term**. Landlord and Tenant agree that the term of the Lease shall be extended by thirty-six (36) months, commencing midnight on June 30, 2022, and ending at 11:59 p.m. on June 30, 2025 (the "**Extension Term**"). As used in the Lease, "**Lease Term**" shall be defined as the period commencing on the Commencement Date and ending on the expiration of the Extension Term.

2. **Rent.** Notwithstanding anything to the contrary in the Lease (including, without limitation, Paragraph 2 of the Second Amendment), commencing July 1, 2022 and for the remainder of the Extension Term, Tenant shall pay monthly rent to Landlord in the amount of Nineteen Thousand Eight Hundred Sixty-Nine and NO/100 Dollars ($19,869.00). The monthly rent shall be payable in advance by the first day of each month during the Extension Term.

3. **Other Provisions.** Except as set forth in this Amendment, all other terms and provisions of the Lease shall remain in full force and effect. Any inconsistency between the Lease and this Amendment shall be governed by this Amendment. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute the same Amendment. For purposes of this Amendment, signatures by facsimile or electronic PDF shall be binding to the same extent as original signatures. Each signatory of this Amendment on behalf of Tenant and Landlord represents that he or she has the full power and authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. The headings of the paragraphs in this Amendment are for reference only and shall not affect the meaning or interpretation of this Amendment. Landlord and Tenant each acknowledges and reaffirms all of its obligations under the Lease, as the Lease has been amended by this Amendment, and agrees that any reference made in any other document to the Lease shall mean the Lease as amended by this Amendment. This Amendment may not be

amended except in writing signed by both Landlord and Tenant. If any provisions of this Amendment or the Lease, as amended hereby, shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease or this Amendment and all such other provisions shall remain in full force and effect. Landlord and Tenant hereby acknowledge and agree this Amendment shall not be construed or interpreted against either party hereto by virtue of the identity of the preparer.

4. **Binding Effect.** The covenants and agreements of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, legal representatives, successors, and assigns.

5. **Attorneys' Fees**. If a party hereto brings an action or suit against the other party hereto to enforce any provisions of this Amendment or the Lease, the prevailing party in such action or suit shall be entitled to have and recover from the other party hereto, in addition to damages, equitable or other relief, all costs and expenses of the action or suit and any appeals therefrom, including reasonable attorneys' fees and court costs and costs of expert witnesses, and fees incurred to enforce any judgment therefrom.

6. **No Broker**. Each of Landlord and Tenant represent and warrant to each other that neither of them has had any dealings with any real estate broker or agent in connection with the negotiation of this Amendment. Landlord and Tenant each hereby agree to indemnify, defend and hold harmless the other against any losses, causes of action, liabilities, damages, claims, demands, costs and expenses (including reasonable attorneys' fees and costs) incurred, or to be incurred, for any breach of the foregoing warranty by either party hereto regarding any such dealings with any real estate broker or agent.

[*remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the day and year first above written.

Landlord:

/s/ Sara Maguire LeMone
Sara Maguire LeMone as Trustee of the Sara Maguire LeMone Revocable Trust dated February 6, 2004

Tenant:

BEYOND MEAT, INC.,
a Delaware corporation

By: /s/ Philip E. Hardin

Name: Philip E. Hardin

Title: CFO

SIGNATURE PAGE TO FOURTH LEASE AMENDMENT

Exhibit 10.2

Amendment to First Amendment

This Amendment to Lease (this "**Second Amendment**") is made January 27, 2022 (the "**Amendment Effective Date**") by and between SMOKY HOLLOW INDUSTRIES, LLC, a California limited liability company ("Lessor"), and BEYOND MEAT, INC., a Delaware corporation formerly known as Savage River, Inc. ("Lessee") amends and supplements the First Amendment to the Original Lease dated July 1, 2021 and the Original Lease dated January 18, 2017 (collectively, the "**Agreement**"). Unless otherwise defined in this Amendment, capitalized terms used in this Amendment shall have the meaning ascribed to them in the Agreement. As of the Amendment Effective Date, all references to the Agreement shall mean the Agreement as amended.

The Parties amend and supplement the Agreement as follows:

1. The first sentence of Section 2 of the First Amendment is replaced in total with the following:

   The term of Lessee's lease of the Expansion Premises shall commence on the later to occur of (i) Effective Date and (ii) the date the Expansion Premises are delivered to Lessee in broom clean condition, free of all tenancies, and free and clear of all personal property and debris (the "Expansion Premises Commencement Date"), and shall expire on April 30, 2022 (the "Expansion Premises Expiration Date"); except, that, if the Expansion Premises Commencement Date has not occurred by July 15, 2021, then Lessee will have a continuing right to rescind this Amendment until the Expansion Premises Commencement Date by providing written notice of such rescission to Lessor, and such recission shall be effective upon receipt (or deemed receipt) of the same (in which event the Original Lease shall continue to govern the Existing Premises).

2. Effect of Amendment: Except as amended by this Amendment, the terms of the Agreement remain in full force and effect.

3. Signature, Counterparts, and Delivery. The parties agree that this Amendment may be signed with an electronic signature and that an electronic signature has the same legal effect as a manual signature. Each person signing this Amendment states that he or she is duly authorized and has legal capacity to sign and deliver this Amendment. This Amendment may be signed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Amendment. This Amendment will become effective when counterparts have been signed by each of the parties and delivered to the other parties; it being understood that all parties need not sign the same counterpart. The counterparts of this amendment may be made by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, or by a combination of these methods.

The Parties have executed and delivered this Amendment as of the Amendment Effective Date.

BEYOND MEAT, INC.	**SMOKY HOLLOW INDUSTRIES LLC**
Signature: /s/ Dariush Ajami	Signature: /s/ Mark Telesz
Print Name: Dariush Ajami	Print Name: Mark Telesz
Title: CIO	Title: Manager

AIR CRE contracts

[EMAIL] INDICATES THE PORTION OF THIS EXHIBIT THAT HAS BEEN OMITTED BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE TYPE OF INFORMATION COMPANY TREATS AS PRIVATE OR CONFIDENTIAL

Exhibit 10.3

3rd AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE is made and entered into as of March 28, 2022, by and between Smoky Hollow Industries LLC ("Lessor") and Beyond Meat, Inc. a Delaware Corporation formerly known as Savage River, Inc ("Lessee").

WHEREAS, on or about July 1, 2021 a Lease was entered into by and between Lessor and Lessee relating to certain real property commonly known as
(street address, city, state, zip): 1320 E Franklin Ave, El Segundo, CA 90245 (the "Premises"), and

WHEREAS, Lessor and Lessee ☑ have ☐ have not previously amended said Lease, and

WHEREAS, the Lessor and Lessee now desire to amend said Lease,

NOW, THEREFORE, for payment of TEN DOLLARS and other good and valuable consideration to Lessor, the receipt and sufficiency of which is hereby acknowledged,

the parties mutually agree to make the following additions and modifications to the Lease:

☑ TERM: The Expiration date is here by ☐ advanced ☑ extended to May 31, 2022

☐ AGREED USE: The Agreed Use is hereby modified to: ______________.

☐ BASE RENT ADJUSTMENT: Monthly Base rent shall be as follows: ______________.

☐ OTHER: ______________.

This Amendment shall not be construed against the party preparing it, but shall be construed as if all parties jointly prepared this Amendment and any uncertainty and ambiguity shall not be interpreted against any one party. Signatures to this Amendment accomplished by means of electronic signature or similar technology shall be legal and binding.

All other terms and conditions of this Lease shall remain unchanged and shall continue in full force and effect except as specifically amended herein.

EXECUTED as of the day and year first above written.

By Lessor: **By Lessee**:

Smoky Hollow Industries LLC	Beyond Meat, Inc., a Delaware Corporation formerly known as Savage River, Inc.
By: /s/ Mark Telesz	By: /s/ Dariush Ajami
Name Printed: Mark Telesz	Name Printed: Dariush Ajami
Title: Manager	Title: CIO
Phone:____________	Phone:____________
Fax:____________	Fax:____________
Email: [EMAIL]	Email: [EMAIL]
Title: ____________	Title: ____________
Phone:____________	Phone:____________
Fax:____________	Fax:____________
Email:____________	Email:____________
Address:____________	Address:____________
Federal ID No.:____________	Federal ID No.:____________

___MT_____ ________
________ ________
INITIALS INITIALS

Exhibit 10.4

[ADDRESS]/[EMAIL] INDICATES THE PORTION OF THIS EXHIBIT THAT HAS BEEN OMITTED BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE TYPE OF INFORMATION COMPANY TREATS AS PRIVATE OR CONFIDENTIAL

BEYOND MEAT, INC.
CONSULTING AGREEMENT

This Consulting Agreement (as amended from time to time, this "Agreement") is made as of April 1, 2022 (the "Effective Date") by and between BEYOND MEAT, INC., a Delaware corporation (the "Company"), and Gary Schultz, a resident of California ("Consultant"). Each of the Company and Consultant is sometimes referred to herein as a "Party" and together as the "Parties".

1. **Consulting Relationship.** During the term of this Agreement, Consultant will provide consulting services to the Company as described on Exhibit A hereto (the "Services"). Consultant represents that Consultant is duly licensed (as applicable) and has the qualifications, the experience and the ability to properly perform the Services. Consultant shall be required to devote such time and effort as is necessary to properly perform the Services in a first class manner. Consultant agrees that his obligations hereunder, including providing the Services shall be to the Company and its subsidiaries.

2. **Fees.** As consideration for the Services to be provided by Consultant and other obligations, the Company shall pay to Consultant the amounts specified in Exhibit B hereto at the times and in the manner specified therein.

3. **Expenses.** Consultant shall not be authorized to incur any costs or expenses on behalf of the Company, except as expressly described below, and will be responsible for all expenses incurred while performing the Services unless otherwise agreed to by the Company's Chief Financial Officer, which consent shall be evidenced in writing for any expenses in excess of $1,000 USD in the aggregate. As a condition to receipt of reimbursement for authorized expenses, Consultant shall be required to submit to the Company proper documentation and, if requested by the Company, reasonable evidence that the amount involved was both reasonable and necessary to the Services. Subject to the foregoing, the Company will reimburse, on a monthly basis, reasonable travel and entertainment expenses incurred by Consultant in the course of providing Services to Company.

4. **Term and Termination.** Consultant shall serve as a consultant to the Company for a period commencing on the date that this Agreement is fully executed and delivered and terminating on December 31, 2022 with an option for renewal if agreed in writing by both Parties. Notwithstanding the above, either Party may terminate this Agreement at any time upon not less than 10 calendar days' prior written notice.

Should either Party breach any of its material obligations under this Agreement, including but not limited to Consultant's obligations under the Confidential Information and Invention Assignment Agreement between the Company and Consultant referenced below, the non-breaching Party may terminate this Agreement immediately if the breaching Party fails to cure the breach within 3 calendar days after having received written notice from the non-breaching Party of the breach.

5. **Independent Contractor.** The sole relationship of the Parties shall be that of independent contractors. Nothing contained herein shall be deemed or construed as creating an employment relationship, joint venture, fiduciary relationship, agency or partnership between Consultant and the Company. Consultant acknowledges and agrees that he is not an employee of the Company and that retention as a consultant shall not entitle him to any benefits as an employee under applicable law or any benefit plan maintained by the Company or its affiliates for its employees, including without limitation paid vacation, workers' compensation, group health insurance, life or disability insurance, paid leave, pension, severance, or unemployment insurance. Should Consultant be deemed to have any rights of participation in any such plans, by signing below, Consultant hereby waives such rights freely, knowingly, and voluntarily. It is further understood and agreed by the parties hereto that as an independent contractor Consultant will be responsible for complying with all applicable laws regarding Consultant's engagement and/or employment of personnel, including but not limited to FLSA, FICA, FUTA, IRS state and local tax and unemployment obligations.

6. **Method of Provision of Services.** Consultant shall be solely responsible for determining the method, details and means of performing the Services. Consultant may, at Consultant's own expense, employ or engage the services of such employees, subcontractors, partners or agents, as Consultant deems necessary to perform the Services (collectively, the "Assistants"). The Assistants are not and shall not be employees of the Company, and Consultant shall be wholly responsible for the professional performance of the Services by the Assistants such that the results are satisfactory to the Company. Consultant shall expressly advise the Assistants of the terms of this Agreement, and shall require each Assistant to execute and deliver to the Company a Confidential Information and Invention Assignment Agreement substantially in the form attached to this Agreement as Exhibit C hereto (the "CIIAA").

(a) **No Authority to Bind Company.** Consultant acknowledges and agrees that Consultant and its Assistants have no authority to enter into contracts that bind the Company or create obligations on the part of the Company without the prior written authorization of the Company.

(b) **No Benefits.** Consultant acknowledges and agrees that Consultant and its Assistants shall not be eligible for any Company employee benefits and, to the extent Consultant otherwise would be eligible for any Company employee benefits but for the express terms of this Agreement, Consultant (on behalf of itself and its employees) hereby expressly declines to participate in such Company employee benefits.

(c) **Taxes; Indemnification**. Consultant shall have full responsibility for applicable taxes for all compensation paid to Consultant or its Assistants under this Agreement, including any withholding requirements that apply to any such taxes, and for compliance with all applicable labor and employment requirements with respect to Consultant's self-employment, sole proprietorship or other form of business organization, and with respect to the Assistants, including state worker's compensation insurance coverage requirements and any U.S. immigration visa requirements. Consultant agrees to indemnify, defend and hold the Company harmless from any liability for, or assessment of, any claims or penalties or interest with respect to such taxes, labor or employment requirements, including any liability for, or assessment of, taxes imposed on the Company by the relevant taxing authorities with respect to any compensation paid to Consultant or its Assistants or any liability related to the withholding of such taxes. Consultant must complete and submit a Form W-9 to the Company before any payment will be issued and must meet and comply with the qualifications, standards and regulations contained therein. Consultant shall submit an invoice to the Company on a monthly basis, and the Company shall pay Consultant within 30 business days of receiving the invoice from Consultant.

(d) **Supplies and Equipment**. Consultant shall supply all equipment, instruments, documentation and specifications required to perform Services under this Agreement, except when such equipment, instruments, documentation and specifications are unique to Company, in which case Company shall provide Consultant with such equipment, instruments, documentation and specifications as may reasonably be required by Consultant for performance by Consultant of duties set forth herein. Such equipment, instruments, documentation and specifications shall at all times remain the property of Company.

7. **Supervision of Consultant's Services.** All of the services to be performed by Consultant, including but not limited to the Services, will be as agreed between Consultant and the Company's Chief Financial Officer.

8. **Consulting or Other Services for Competitors.** Consultant represents and warrants that Consultant does not presently perform or intend to perform, during the term of the Agreement, consulting or other services for, or engage in or intend to engage in an employment relationship with, any person or entity who businesses or proposed businesses in any way involve products or services which would be competitive with the Company's products or services, or those products or services proposed or in development by the Company during the term of the Agreement (except for those persons or entities, if any, listed on Exhibit D hereto). If, however, Consultant decides to do so, Consultant agrees that, in advance of accepting such work, Consultant will promptly notify the Company in writing, specifying the entity or individuals with which Consultant proposes to consult, provide services, or become employed by and to provide information sufficient to allow the Company to determine if such work would conflict with the terms of this Agreement, including the terms of the CIIAA, the interests of the Company or further services which the Company might request of Consultant. If the Company determines that such work conflicts with the terms of this Agreement, the Company reserves the right to terminate this Agreement immediately. In no event shall any of the Services be performed for the Company at the facilities of a third party or using the resources of a third party.

9. **CIIAA and Certain Policies.** Consultant shall sign, or has signed, a CIIAA, on or before the date Consultant begins providing the Services. Specifically, Consultant understands that during the Relationship, the Company intends to provide Consultant with certain information, including Confidential Information (as defined in the CIIAA), without which Consultant would not be able to perform Consultant's duties to the Company, and that such information shall be held in accordance with the terms of the CIIAA. Consultant hereby further acknowledges that he has received and reviewed and further agrees to comply with the Company's Code of Business Conduct and Ethics and the Company's Insider Trading Policy. Specifically, Consultant agrees to abide by the U.S. Foreign Corrupt Practices Act, which prohibits Consultant from directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment. Consultant also specifically agrees to refrain from trading in Company securities while aware of material, non-public information learned in connection with Services performed.

10. **Solicitation; Non-Disparagement**.

(a) At any time from the Effective Date and at all times Consultant is providing the Services to the Company (the "Service Period") and for a period of twelve (12) months immediately following the end of the Service Period (the "Restricted Period"), Consultant shall not, directly or indirectly, either for himself or on behalf of any other person, firm, corporation or other entity, (i) recruit or otherwise solicit, encourage or induce any employee, client, customer, vendor or investor of the Company to terminate such person or entity's employment or other arrangement with the Company, or otherwise to interfere with, reduce, or harm such person's or entity's relationship with the Company, (ii) employ or hire, or offer to employ or hire, (or cause or influence any other person or entity to employ or hire, or offer to employ or hire), whether as an employee, consultant or advisor or in any other capacity, any person who is, or was within the six (6) month period preceding the conduct prohibited by this clause (ii), employed or engaged (whether an employee, consultant, or advisor or in any capacity) by the Company or (iii) cause or seek to cause any client or customer or vendor of, or investor in, the Company to become a client or customer or vendor of, or investor in, any business or activity that competes with the Business. For this purpose the "Business" means the production or development of plant-based meat alternatives similar to, or which are or would reasonably be expected to be competitive with, the products produced or developed by the Company or any of its subsidiaries.

(b) During the Restricted Period, Consultant will not on its own behalf or on behalf of any other person or entity other than the Company or its subsidiaries, intentionally (i) solicit business from, or offer or provide products or services to, any Protected Relationship (as defined below), that are similar to any products or services provided to such Protected Relationship by the Company or any of its subsidiaries, or (ii) cause or encourage any Protected Relationship to reduce or cease doing business with the Company or any of its subsidiaries. "Protected Relationship" means each customer, vendor, or supplier, or prospective customer, vendor, or supplier, of the Company or any of its subsidiaries that Consultant learned of, had business contacts with or obtained Confidential Information about as a result of providing the Services.

(c) Consultant agrees not to make any disparaging remarks about the Company, or any of its practices, or the Company's directors, managers, officers, employees, direct and indirect equity holders or trustees either orally or in writing, at any time; provided, nothing herein shall restrict Consultant from reporting to a governmental agency or from providing truthful statements in response to a valid subpoena or court order or making other truthful statements which applicable law provides cannot be subject to such a non-disparagement provision.

11. **Injunctive Relief; Tolling; Enforcement**.

(a) It is recognized and acknowledged by Consultant that a breach of one or more of the covenants contained in the documents described in Section 9 of this Agreement and the covenants set forth in Section 10 of this Agreement (collectively, the "Covenants") shall cause irreparable damage to the Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach shall be inadequate. Accordingly, Consultant agrees that in the event of a breach or threatened breach of any of such Covenants, in addition to any other remedy which may be available at law or in equity, the Company shall be entitled to injunctive relief and specific performance to prevent or prohibit such breach. Consultant agrees to waive any requirements for the securing or posting of any bond in connection with such remedy.

(b) In the event of the breach by Consultant of any of the Covenants, the running of the applicable period of restriction shall be automatically tolled and suspended for the amount of time that the breach continues, and shall automatically recommence when the breach is remedied so that the Company shall receive the full benefit of the Consultant's compliance with such covenants.

(c) The Company and Consultant acknowledge that the durational and geographic scope of the restrictions and the activity restraints set forth in this Agreement are reasonable, but if any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to exceed the limitations permitted by applicable law, as determined by such court in such action, then the provisions will be deemed reformed to the maximum limitations permitted by applicable law and the parties hereby expressly acknowledge their desire that in such event such action be taken. If any provision of this Agreement is held to be illegal, invalid or unenforceable during the term of this Agreement after application of the first sentence of this subparagraph (c) then such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

12. **Conflicts with this Agreement.** Consultant represents and warrants that neither Consultant nor any of the Assistants is under any pre-existing obligation in conflict or in any way inconsistent with the provisions of this Agreement. Consultant represents and warrants that any non-compete or non-solicitation agreement that he may be under does not apply to his provision of Services to the Company. Consultant further represents and warrants that Consultant's performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by Consultant in confidence or in trust prior to commencement of this Agreement. Consultant warrants that Consultant has the right to disclose and/or or use all ideas, processes, techniques and other information, if any, which Consultant has gained from third parties, and which Consultant discloses to the Company or uses in the course of performance of this Agreement, without liability to such third parties. Notwithstanding the foregoing, Consultant agrees that Consultant shall not bundle with or incorporate into any deliveries provided to the Company herewith any third party products, ideas, processes, or other techniques, without the express, written prior approval of the Company. Consultant represents and warrants that Consultant has not granted and will not grant any rights or licenses to any intellectual property or technology that would conflict with Consultant's obligations under this Agreement. Consultant will not knowingly infringe upon any copyright, patent, trade secret or other property right of any former client, employer or third party in the performance of the Services.

13. **Miscellaneous.** This Agreement (a) may be amended, modified or terminated only in writing duly executed by the Company and Consultant, (b) constitutes the entire agreement between the Company and Consultant with respect to the subject matter of this Agreement, and supersedes all oral and written proposals, representations, understandings and agreements previously made or existing with respect to such subject matter, (c) shall be governed by the laws of the State of Delaware without regard to the conflict of laws provisions thereof and (d) may be executed in counterparts (and by facsimile or email transmission of a file in ".pdf" or similar format), each of which will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same instrument. Neither party may assign this Agreement without the written consent of the other party. No failure of any party to exercise any right or remedy given to such party under this Agreement or otherwise available to such party shall constitute a waiver of any party's right to demand exact compliance with the terms hereof, unless such waiver is set forth in writing and executed by such party. Waiver by any party hereto of any breach or default by the other party shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. If any provision of this Agreement is held invalid or unenforceable by any arbitral proceeding or court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Except as otherwise expressly provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

14. **Dispute Resolution**. Any dispute or controversy arising under or in connection with this Agreement, Consultant's engagement by the Company shall be settled exclusively by confidential, final and binding arbitration, administered by JAMS in Wilmington, Delaware in accordance with the JAMS Streamlined Arbitration Rules and Procedures (the "Streamlined Rules") then in effect, in accordance with this Section 14, except as otherwise prohibited by any nonwaivable provision of applicable law or regulation or except as expressly excluded in a

written agreement signed by Consultant and the Company. The Parties desire and agree that any arbitration proceedings shall be conducted before an arbitrator who is on the JAMS register of arbitrators and who is selected pursuant to the Streamlined Rules (the "Arbitrator") as expeditiously as possible and acknowledge that expeditious arbitration is in the interest of the parties. Discovery shall be conducted in accordance with the Streamlined Rules. The Parties hereby agree that the Arbitrator shall construe, interpret and enforce this Agreement in accordance with its express terms, and otherwise in accordance with the governing law as set forth in Section 13. Judgment may be entered on the arbitration award in any court having jurisdiction, *provided*, *however*, that the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of this Agreement and Consultant hereby consents that such restraining order or injunction may be granted without requiring the Company to post a bond. Within 20 days of the conclusion of the arbitration hearing, the Arbitrator shall prepare written findings of fact and conclusions of law. It is mutually agreed that the written decision of the Arbitrator shall be valid, binding, final and enforceable by any court of competent jurisdiction and it is mutually agreed that the parties waive to the fullest extent permitted by law any rights to appeal or to review of any award rendered by the Arbitrator by any court or tribunal. The Company shall pay all administrative fees, and the fees and expenses of the Arbitrator, to the extent that such fees and expenses exceed the amount that you would have incurred to file a claim in court. In the event action is brought pursuant to this Section 14, the Arbitrator shall have authority to award fees and costs to the prevailing party, in accordance with applicable law. If in the opinion of the Arbitrator there is no prevailing party, or the arbitrator does not elect to award fees and costs to the prevailing party, then each party shall pay its own attorney's fees and expenses. The parties shall maintain the confidential nature of the arbitration proceeding, except as may be necessary in connection with a court application for a preliminary remedy, a court action to challenge or enforce any award rendered by the Arbitrator, or as otherwise required by law or judicial decision. Notwithstanding the foregoing or anything herein to the contrary, the Company shall be entitled to seek temporary and/or permanent injunctive or other equitable relief in any court of competent jurisdiction with respect to the restrictive covenants contained in this Agreement. CONSULTANT AND THE COMPANY EXPRESSLY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. FURTHER, CONSULTANT AND THE COMPANY WAIVE ANY CONSTITUTIONAL OR OTHER RIGHTS TO BRING CLAIMS COVERED BY THIS AGREEMENT OTHER THAN IN THEIR INDIVIDUAL CAPACITIES. EXCEPT AS MAY BE PROHIBITED BY LAW, THIS WAIVER INCLUDES THE ABILITY TO ASSERT CLAIMS AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING.

15. **Advice of Counsel.** EACH PARTY ACKNOWLEDGES THAT, IN EXECUTING THIS AGREEMENT, SUCH PARTY HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL, AND HAS READ AND UNDERSTOOD ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT AS WELL AS THE JAMS RULES AND PROVISIONS REGARDING ARBITRATION OF CLAIMS. THIS AGREEMENT SHALL NOT BE CONSTRUED AGAINST ANY PARTY BY REASON OF THE DRAFTING OR PREPARATION HEREOF.

16. **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or 48 hours after being sent by nationally-recognized courier or deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

If to the Company:
Beyond Meat, Inc.
119 Standard Street

El Segundo, CA 90245
Attention: Phil Hardin, Chief Financial Officer

If to Consultant:
Gary Schultz
[Address]
[email]

[Signature Page Follows]

The Parties have executed this Agreement as of the date first written above.

THE COMPANY:

BEYOND MEAT INC.

By:/s/ Phil Hardin
(Signature)
Name: Phil Hardin
Title: CFO

CONSULTANT:

GARY SCHULTZ

/s/ Gary Schultz
(Signature)

SIGNATURE PAGE TO CONSULTING AGREEMENT

EXHIBIT A

DESCRIPTION OF CONSULTING SERVICES

1. **[To confirm to IRS guidelines distinguishing between contractors and employees, please identify outcomes for which Consultant is responsible.]**

1. Provide transition services to the incoming controller, especially during the Q1 close.
    a. Regularly hold 1:1s with new controller. Daily initially and then weekly after Q1 close complete
    b. Written documentation that describes the following
        i. Close process
        ii. AP key processes
        iii. AR key processes
2. Support ongoing litigation for Don Lee farms.
    a. Support may include additional data gathering
    b. Depositions
    c. Other work as requested by the BYND Legal Team
3. Assist new controller in formulating a plan to allow for a monthly close. Gary to provide technical expertise and identify current blockers. Support monthly close by August 2022.

1. Develop a plan and implement a process to improve our controls around Pos and invoice approvals. First deliverable to include assesment of overall process working in conjunction with Senior Manager of Accounts payable.

EXHIBIT B

COMPENSATION

Check applicable payment terms:

[X] For Services rendered by Consultant under this Agreement, the Company shall pay Consultant at the rate of USD $180 per hour, payable monthly. Unless otherwise agreed upon in writing by Company, Company's maximum liability for all Services performed during the term of this Agreement shall not exceed USD $150,000.

[ ] Consultant shall be paid $____________ upon the execution of this Agreement and $____________ upon completion of the Services specified on Exhibit A to this Agreement.

[ ] The Company will recommend that the Board grant a non-qualified option to purchase _______ shares of the Company's Common Stock, at an exercise price equal to the fair market value (as determined by the Company's Board of Directors) on the date of grant, and which will vest and become exercisable as follows:

[ ] Consultant is authorized to incur the following expenses:

[X] The Company previously granted to Consultant one or more equity awards covering shares of the Company's Common Stock pursuant to the Company's 2011 Equity Incentive Plan, as amended and restated as the Company's 2018 Equity Incentive Plan (together, the "Plan"). Consultant acknowledges and agrees that the information on the Company equity awards granted to Consultant (including any transferred Company equity awards) that is available through Benefits OnLine by Merrill Lynch accurately reflects the Company equity awards previously granted to Consultant as of the date hereof (such equity awards, Consultant's "Company Equity Awards").

The Parties agree that Consultant's service to the Company will be continuous for purposes of Consultant's Company Equity Awards and the Plan such that Consultant will not experience a termination of Continuous Service or Service Provider status (each as defined in the Plan) as a result of the end of Consultant's employment with the Company and commencement of Consultant's status as a consultant to the Company. Accordingly, as consideration for the Services to be provided by Consultant pursuant to this Agreement, and for the other obligations set forth herein, vesting of Consultant's Company Equity Awards will continue for so long as Consultant's service with the Company continues pursuant to this Agreement to the extent provided by the Plan and the applicable award agreements.

EXHIBIT C

CONFIDENTIAL INFORMATION AND INVENTION ASSIGNMENT

EXHIBIT D

LIST OF COMPANIES
EXCLUDED UNDER SECTION 8

___ No conflicts

___ Additional Sheets Attached

Signature of Consultant: __

Print Name of Consultant: __

Date: __

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ethan Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Beyond Meat, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2022

By: /s/ Ethan Brown
Ethan Brown
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Philip E. Hardin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Beyond Meat, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2022

By: /s/ Philip E. Hardin
Philip E. Hardin
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ethan Brown, President and Chief Executive Officer of Beyond Meat, Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended April 2, 2022 (the “Report”), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date:	May 12, 2022	By:	/s/ Ethan Brown
			Ethan Brown
			President and Chief Executive Officer
			(Principal Executive Officer)

This certification shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18 of the Exchange Act. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Philip E. Hardin, Chief Financial Officer and Treasurer of Beyond Meat, Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended April 2, 2022 (the "Report"), as filed with the Securities and Exchange Commission, fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: May 12, 2022

By: /s/ Philip E. Hardin
Philip E. Hardin
Chief Financial Officer and Treasurer
(Principal Financial Officer)

This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18 of the Exchange Act. Such certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.