

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

FORM 10-K

(Mark One)

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

For the fiscal year ended **December 31, 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**

**BEYOND MEAT, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**26-4087597**

(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
<b>Common Stock, \$0.0001 par value</b>	<b>BYND</b>	<b>The Nasdaq Stock Market LLC</b>

**Securities registered pursuant to Section 12(g) of the Act: None**

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

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

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

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

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

Large accelerated filer   
Non-accelerated filer

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

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

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

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

As of July 1, 2022, the aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, based on the closing sales price of the registrant's common stock as reported on the Nasdaq Global Select Market on such date, was \$1.6 billion.

As of February 28, 2023, the registrant had 64,094,519 shares of common stock, \$0.0001 par value per share, outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement relating to its 2023 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year ended December 31, 2022 are incorporated herein by reference in Part III where indicated.

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## 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 impact of inflation and rising interest rates across the economy, including higher food, grocery, raw materials, transportation, energy, labor and fuel costs;
- the impact of adverse and uncertain economic and political conditions in the U.S. and international markets, including due to an economic recession, downturn or periods of rising or high inflation;
- reduced consumer confidence and changes in consumer spending, including spending to purchase our products, and negative trends in consumer purchasing patterns due to levels of consumers' disposable income, credit availability and debt levels, and economic conditions, including due to recessionary and inflationary pressures;
- factors negatively impacting demand in the plant-based meat category;
- 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;
- the effects of increased competition from our market competitors and new market entrants;
- risks and uncertainties related to certain cost-reduction initiatives, workforce reductions, executive leadership changes, and the timing and success of achieving certain financial goals or cash flow positive targets;
- 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 such as downsizing and exiting certain operations, domestically and/or abroad;
- the impact of uncertainty as a result of doing business in China and Europe;
- the volatility of or inability to access the capital markets, including due to macroeconomic factors, geopolitical tensions or the outbreak of hostilities or war;
- changes in the retail landscape, including the timing and level of trade and promotion discounts, our ability to maintain and 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 maintain and 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;
- foreign exchange rate fluctuations;
- our ability to identify and execute cost-down initiatives intended to achieve price parity with animal protein;
- the effectiveness of our business systems and processes;
- our estimates of the size of our market opportunities and ability to accurately forecast market growth;
- the impact of uncertainty in our domestic and international supply chain, including labor shortages and disruption and shipping delays and disruption;
- our ability to effectively expand or optimize our manufacturing and production capacity, including effectively managing capacity for specific products with shifts in demand;
- risks associated with underutilization of capacity which could give rise to increased costs, underutilization fees and termination fees to exit certain supply chain arrangements and/or the write-off of certain equipment;
- our inability to sell our inventory in a timely manner requiring us to sell our products through liquidation channels at lower prices, write-down or write-off obsolete inventory, or increase inventory reserves;
- our ability to accurately forecast our future results of operations and financial goals or targets, including fluctuations in demand for our products and in the plant-based meat category generally and 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, customer and distributor changes and buying patterns, such as reductions in targeted inventory levels, 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 (such as the COVID-19 pandemic), epidemics or other public health crises, or fear of such crises;
- the success of our marketing initiatives and the ability to maintain and grow brand awareness, maintain, protect and enhance our brand, attract and retain new customers and maintain 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;
- the availability of pea and other proteins that meet 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;
- 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 data privacy;
- the ability of our transportation providers to ship and deliver our products in a timely and cost effective manner;
- senior management and key personnel changes, the attraction, training and retention of qualified employees and key personnel and our ability to maintain our company culture;
- the effects of organizational changes including reductions-in-force and realignment of reporting structures;
- 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 timing, impact and success of restructuring certain operating activities related to Beyond Meat Jerky;
- 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 impact of potential workplace hazards;
- the effects of natural or man-made catastrophic or severe weather events, including events brought on by climate change, particularly involving our or any of our co-manufacturers’ manufacturing facilities, our suppliers’ facilities, or any other vital aspects of our supply chain;
- the impact of marketing campaigns aimed at generating negative publicity regarding our products, brand and the plant-based meat 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 administrative costs related to compliance and reporting obligations;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs;
- 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 El Segundo Campus and Innovation Center ("Campus Headquarters") lease ("Campus Lease"), the timing of occupancy and completion of the build-out of our space, cost overruns, delays, workforce reductions or other cost-reduction initiatives on our space demands;
- our ability to meet our obligations under leases for our corporate offices, manufacturing facilities and warehouses, or risks related to excess space capacity under our leases due to workforce reductions or other cost-reduction initiatives;
- 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;
- economic conditions and the impact on consumer spending;
- the impact of increased scrutiny from a variety of 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; and
- the risks discussed in Part I, [Item 1A](#), *Risk Factors*, and elsewhere in this report, and those discussed in other documents we file from time to time with the Securities and Exchange Commission ("SEC").

In some cases, you can identify forward-looking statements by terms such as "may," "should," "expects," "might," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," "seek," "would" or "continue," or the negative of these terms or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected 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 where Beyond Meat branded products are available was derived from data as of December 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," "Beyond Popcorn Chicken," "Beyond Steak," "Go Beyond," "Cookout Classic," "The Future of Protein," 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

### ITEM 1. BUSINESS.

#### 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 promise, “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 meat, 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 flexitarians, those who typically eat animal-based meats, positioning us to compete directly in the \$1.4 trillion global meat industry.

To capture this broad market opportunity, we have developed three core plant-based product platforms that align with the largest meat categories globally: beef, pork and poultry. The primary components of animal-based meat—amino acids, lipids, carbohydrates, trace minerals and water—are not exclusive to animals and are plentiful in plants. We create our plant-based products using proprietary scientific processes that determine the architecture of the animal-based meat we are seeking to replicate and then we assemble it using plant-derived amino acids, lipids, carbohydrates, trace minerals and water. We are focused on continuously improving our products so that eventually they are, to the human sensory system, indistinguishable from their animal-based counterparts.

Our flagship product is the Beyond Burger, designed to look, cook and taste like a traditional beef burger. We also sell a range of other plant-based meat products, including Beyond Sausage, Beyond Beef, Beyond Meatballs, Beyond Breakfast Sausage Patties, Beyond Breakfast Sausage Links, Beyond Beef Crumbles, Beyond Italian Sausage Crumbles, Beyond Chicken Tenders, Beyond Steak, Beyond Popcorn Chicken, Beyond Chicken Nuggets and Beyond Meat Jerky. All of our products are made from simple ingredients without GMOs, no added hormones or antibiotics, and 0 mg of cholesterol per serving. With the exception of certain Beyond Beef Crumbles which are not certified Kosher, all of our products are certified Kosher and Halal. All of our products are good to excellent sources of protein and we are focused on making them nutritionally dense, with minimal negative attributes relative to their animal protein alternatives. As of December 2022, Beyond Meat branded products were available at approximately 190,000 retail and foodservice outlets in more than 80 countries worldwide, 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.

Research, development and innovation are core elements of our business strategy, and we believe they represent a critical competitive advantage for us. Through our Beyond Meat Rapid and Relentless Innovation Program, our team of scientists and engineers focuses on making continuous improvements to our existing product formulations and developing new products across our plant-based beef, pork and poultry platforms. Our state-of-the-art Innovation Center within our Campus Headquarters brings together leading scientists from chemistry, biology, material science, food science and biophysics disciplines who work together with process engineers and culinary specialists to pursue our vision of perfectly building plant-based meat.

Net revenues decreased to \$418.9 million in 2022 from \$464.7 million in 2021, representing a 9.8% reduction. We have generated losses since inception. Net loss in 2022 and 2021 was \$366.1 million and \$182.1 million, respectively, as we pursued our long-term goal of future growth of our business, investing in innovation, people, infrastructure, product scaling and establishing strategic partnerships in the U.S., EU and China. In 2022, our net revenues were negatively affected by softness in demand in the plant-based category, macroeconomic issues, including inflation, rising interest rates and increasing concerns about the likelihood of a

recession, and increased competition. Additionally, there remains uncertainty regarding the long-term effects of the COVID-19 pandemic and certain negative impacts on our business, the plant-based category, consumer and customer behavior, and demand levels.

In response to the current difficult environment and the negative impact of these factors on our business and the overall plant-based category, beginning in the fourth quarter of 2022 we are pivoting our focus toward sustainable long-term growth supported by three pillars: (1) driving margin recovery and operating expense reduction through the implementation of lean value streams across our beef, pork and poultry platforms; (2) inventory reduction and cash flow generation through more efficient inventory management; and (3) focusing on near-term retail and foodservice growth drivers while supporting strategic key long-term partners and opportunities.

### **Our Mission**

We are a mission-driven business with long-standing core values. We strive to operate in a transparent, socially responsible and environmentally sustainable manner and are committed to help solve the major health and global environmental issues which we believe are caused in part by an animal-based protein diet and existing industrial livestock production. We believe our authentic and long-standing commitment to these causes better positions us to build loyalty and trust with current consumers and helps to attract new ones. Our corporate culture embodies these values and, as a result, we enjoy a highly motivated and skilled workforce committed to our mission and our enterprise.

### **The Beyond Meat Strategic Difference**

- ***Unique Approach to the Product***

We employ a revolutionary and unique approach to create our products, with a goal of delivering the same satisfying taste, aroma and texture as the animal-based meats we seek to replicate. At our Innovation Center within our Campus Headquarters, our scientists and engineers work to continuously improve our products to replicate the sensory experience of animal-based meat. Each product is designed to not only closely replicate the taste and sensory experience of its animal protein equivalent, but to also provide the nutritional and environmental benefits of plant-based meat.

We start by analyzing the composition and design of relevant animal-based meats at the molecular and structural level. The primary components, other than water, comprising animal-based meats are amino acids, lipids, carbohydrates and trace minerals, which are not exclusive to animals and are present in abundance in plants. The amino acids that form the proteins which represent the muscle of animal-based meat can be sourced from plants. We use proteins primarily extracted from yellow peas, as well as mung beans, faba beans, brown rice and other plant stock, through a physical process to separate protein and fiber. We then apply heating, cooling and pressure at rapid and varied intervals to weave the protein into a fibrous structure to create woven protein that mimics the texture of muscle. Our woven protein is converted according to our formulas and specifications into a packaged product at our own facilities or by our network of co-manufacturers, after which the final packaged product is then shipped to distributors or direct to customers.

- ***Unique Approach to the Market***

Our breakthrough product innovations have enabled a paradigm shift in both marketing and target audience—tapping into the enthusiastic pull from mainstream consumers for delicious and satisfying, yet better-for-you plant-based meats. This approach is summed up in our brand promise—“Eat What You Love.” When we launched our flagship Beyond Burger in 2016, we approached the marketplace in an unprecedented way. Instead of marketing and merchandising the Beyond Burger to vegans and vegetarians, we requested that the product be sold in the meat case at grocery retailers where meat-loving consumers are accustomed to shopping for center-of-plate proteins. We believe merchandising in the meat case in the retail channel has helped drive greater brand awareness with our end consumers.

Reflecting the strength and value of the Beyond Meat brand to its partners, many of our foodservice customers choose to prominently feature our brand name on their menu and within item descriptions, in addition to displaying Beyond Meat branded signage throughout their venues. We believe that we have established our brand as one with “halo” benefits to our partners as evidenced by the increased adoption by strategic QSR partners. Our foodservice channel not only functions as a form of paid trial for our products, helping to drive additional retail demand, but also creates even greater brand awareness for Beyond Meat through the on-menu and in-store publicity we receive.

- ***Unique Approach to Our Brand***

Our mission is to create nutritious plant-based meats that taste delicious and deliver a consumer experience that is indistinguishable from that provided by animal-based meats. We believe our brand promise, “Eat What You Love,” encourages consumers to eat more, not less, of the traditional dishes they enjoy by using our products, while feeling great about the health, sustainability and animal welfare benefits associated with consuming plant-based meat. This approach is one of the reasons all of our current products are non-GMO. Our approach of bringing to market the best innovations is a strategy that engages the consumer and provides feedback from which we iterate and improve.

Our brand awareness has been driven by strong digital and social media marketing as well as earned media reaching our digitally native target audience. The viral nature of our marketing and brand-building has been enhanced by both the network of brand ambassadors we have developed throughout the United States and abroad, and our strong following by celebrities from the worlds of sports and entertainment who help promote the benefits of a plant-based diet and the Beyond Meat brand.

In 2022 we brought the environmental impact of our products to the forefront, showcasing the difference a burger can make through “This Burger Fights Climate Change,” a nationwide campaign stretching from Times Square billboards to YouTube shorts. We expanded the premise in our summer grilling campaign, joining Kevin Hart as he time-traveled through the decades to help change the world, one delicious Beyond Burger at a time. In October, we supported the launch of three new products, including Beyond Steak, through an omnichannel campaign across traditional and retail media.

### **Our Industry and Market Opportunity**

We operate in the large and global meat industry, which is comprised of fresh and packaged animal-based meats for human consumption. According to data from Fitch Solutions Macro Research, the meat industry is the largest category in food and in 2017 generated estimated sales across retail and foodservice channels of approximately \$270 billion in the United States and approximately \$1.4 trillion globally. We believe our revenue growth over time will allow us to capture an increased share of the broader U.S. meat category, supported by a number of key drivers, including the authentic comparability and sensory experience of our products to their animal-based meat equivalents, continued mainstream acceptance of our products by traditional animal-based meat consumers, heightened consumer awareness of the role that food and nutrition, particularly plant-based foods, play in long-term human health and wellness, and growing concerns related to the negative environmental and animal-welfare impacts of animal-based meat consumption. As a market leader in the plant-based meat category, we believe we are well-positioned to take advantage of and drive this category growth.

### **Our Competitive Strengths**

We believe that the following strengths position us to generate growth and pursue our objective to become a leader in the global meat category.

- ***Dedicated Focus on Innovation***

We invest significant resources in our innovation capabilities to develop plant-based meat alternatives to popular animal-based meat products. Our innovation team, comprised of scientists, engineers, researchers, technicians and chefs, has delivered a number of unique plant-based meat breakthroughs, as well as continuous improvements to existing products. We are able to leverage what we learn about taste, texture,

aroma and appearance across our plant-based beef, pork and poultry platforms and apply this knowledge to each of our product offerings. In 2022, our innovation team moved into its new location within our Campus Headquarters, where we have a strong pipeline of products in development.

- ***Brand Mission Aligned with Consumer Trends***

We believe our brand is uniquely positioned to capitalize on growing consumer interest in great-tasting, nutritious, convenient, higher protein content and plant-based foods. We have also tapped into growing public awareness of major issues connected to animal protein, including human health, climate change, resource conservation and animal welfare. Simply put, our products aim to enable consumers to “Eat What You Love” without the downsides associated with conventional animal protein.

We have built a powerful brand with broad demographic appeal and a passionate consumer base. Our brand awareness is driven by strong marketing. Our audience continues to grow from the attention generated by our large following of celebrities, influencers and brand ambassadors who identify with our mission.

- ***Product Portfolio Generates Demand Across Channels***

Increased sales of our products have helped us foster strong relationships in a relatively short period of time. We provide our retailers with exciting new products in the meat case, where innovation rarely occurs.

Our foodservice customers are excited by the opportunity to differentiate their menu offerings and attract new customers by partnering with Beyond Meat, and are seeking new ways to further promote our products, for example through mass media advertising campaigns inclusive of TV, radio, out of home and digital channels. We believe our customers’ frequent choice to feature Beyond Meat demonstrates the marketing power of our brand and overall consumer excitement for our products. This type of demand for our products has been a driving force in building strong ties with customers who have been continually impressed by the impact our brand can make on their business.

- ***Experienced and Passionate Executive Management Team***

We are led by a proven and experienced executive management team with broad industry experience, including at both consumer packaged goods companies and high-growth businesses. Prior to founding Beyond Meat, Ethan Brown, our President and Chief Executive Officer, spent over a decade in the clean energy industry working for hydrogen fuel cell leader, Ballard Power Systems, rising from an entry level manager to reporting directly to the Chief Executive Officer. Mr. Brown’s significant experience in clean tech, coupled with an appreciation of animal agriculture’s role in contributing to greenhouse gas emissions, led him to start a plant-based meat products company. Our executive management team plays an integral role in Beyond Meat’s success by instilling a culture committed to innovation, customer satisfaction and growth.

### **Cost Down Strategy**

A key component of our business strategy is to continually drive the cost of our products down over time, with the aspiration to eventually price at parity with animal-based protein. To enable this, in 2021 we kicked off our Cost Down program, which consists of multiple workstreams focused on initiatives such as competitive bidding for ingredients, increasing manufacturing throughput, streamlining our internal fulfillment network and reformulating products to reduce costs. The reductions in force implemented in August and October 2022 and our sharpened focus on certain large customers and markets, are examples of ways we’ve started executing on our broader cost down strategy.

### **Our Long-Term Growth Strategy**

In response to the current difficult environment and the negative impact of certain factors on our business and the overall plant-based category, beginning in the fourth quarter of 2022 we are pivoting our focus toward sustainable long-term growth supported by three pillars: (1) driving margin recovery and operating expense reduction through the implementation of lean value streams across our beef, pork and poultry platforms; (2)

inventory reduction and cash flow generation through more efficient inventory management; and (3) focusing on near-term retail and foodservice growth drivers while supporting strategic key long-term partners and opportunities. For clarity, lean value streams represent organizing our teams and operational approach in such a way that increases cross-functional collaboration, transparency and ownership of key business processes and initiatives, with an overarching objective of eliminating waste throughout our organization. We believe, if implemented effectively, the use of a lean value stream approach could drive faster speed-to-market of new product launches, which in turn could accelerate our sales growth, increase our pace of reducing our production costs and expanding our gross margin, and enable further operating expense reductions, among others.

In the long-term, we intend to continue to do the following:

- ***Pursue Top-line Growth Across our Distribution Channels***

We continue to believe that there is a significant opportunity over time to expand our retail and foodservice footprint through distribution expansion, continued innovation and commercialization of new products, increased penetration across channels and into other areas of the retail footprint. We believe increased distribution will lead to growing consumer awareness and demand for nutritious, convenient and high protein plant-based foods, leading to an increase in the overall size of the plant-based meat category as more consumers shift their diets away from animal-based proteins.

- ***Invest in Infrastructure and Capabilities***

Over the long-term, we are committed to prioritizing investment in our infrastructure and capabilities. In 2022, we made significant investments in support of our production and supply chain capabilities, new Campus Headquarters, sales and marketing efforts, our joint venture, TPP, and the bolstering of our IT and systems infrastructure in order to enable a sustainable market-leading position for the long-term.

We are continually reviewing opportunities to optimize our manufacturing capacity across our network, identifying opportunities to increase overall equipment effectiveness, as well as opportunities to leverage our internal manufacturing and co-manufacturer network.

- ***Expand Our Product Offerings***

The success of our products over the past several years supports our belief that, despite a recent softness in the plant-based category, there will continue to be significant demand for additional plant-based meat products in the long-term. We intend to strengthen our product offerings by improving the formulations for our existing portfolio of products and by creating new products that expand the portfolio. We are continually refining our products to improve their taste, texture, aroma and appearance. In addition, we are committed to investing in research and development to continue to innovate within our core plant-based platforms of beef, pork and poultry to create exciting new product lines and improve the formulations for our existing portfolio of products.

Our new product launches in 2022 included the launch of Beyond Steak, Beyond Chicken Nuggets and Beyond Popcorn Chicken in U.S. retail and foodservice channels, tests of Beyond Carne Asada and Beyond Fried Chicken in the U.S. foodservice channel, Beyond Italian Sausage Crumbles in the Canadian foodservice channel, and Beyond Dumplings and Beyond Meat Plant-based Pork Patties in China e-commerce channels.

- ***Continue to Grow Our Brand***

We intend to continue to develop our brand and increase awareness of Beyond Meat. We plan on highlighting our “Go Beyond” message and the global benefits that come with eating our products. We also plan to continue to create relevant content with our network of celebrities, influencers and brand ambassadors, who have successfully built significant brand awareness for us by supporting our mission and products and incorporating Beyond Meat into their daily lifestyle. We also intend to resume and expand our pre-COVID-19 field marketing efforts to sample products directly with consumers in stores and at relevant events.

## **Our Products**

We sell a range of plant-based meat products across our three core platforms of beef, pork and poultry. Depending on the product and channel, they are offered in ready-to-cook, ready-to-heat or shelf-stable formats. Our products cover an entire day's menu planning, from breakfast to dinner and snacking in between.

All of our products are made from simple ingredients without GMOs, no added hormones or antibiotics, and 0 mg of cholesterol per serving. With the exception of certain Beyond Beef Crumbles which are not certified Kosher, all of our products are certified Kosher and Halal. All of our products are good to excellent sources of protein and we are focused on making them nutritionally dense, with lower negative attributes relative to their animal protein alternatives.

Our beef platform consists of our line of products that are intended to mimic animal-based beef in its various merchandised forms, including ground beef, burger patties and meatballs, among others. Our primary products under our beef platform include the Beyond Burger, Beyond Beef, Beyond Meatballs, Beyond Beef Crumbles, Beyond Meat Jerky and Beyond Steak which are sold across our U.S. and international retail and foodservice channels. The protein content for our beef platform products is primarily derived from one or a combination of pea protein, rice protein, faba bean protein, wheat gluten and mung bean protein.

Our pork platform consists of our line of products that are intended to mimic animal-based pork in its various merchandised forms, including dinner sausage links, breakfast sausage patties and links, and ground pork, among others. Our primary products under our pork platform include Beyond Sausage, Beyond Breakfast Sausage Patties, Beyond Breakfast Sausage Links, Beyond Sausage Crumbles and Beyond Ground Pork, and are sold across our U.S. and international retail and foodservice channels. The protein content of our pork platform products is primarily derived from one or a combination of pea protein, rice protein and soy protein.

Our poultry platform consists of our line of products that are intended to mimic animal-based chicken in its various merchandised forms, including chicken tenders, chicken nuggets and popcorn chicken. Our primary products under our poultry platform include Beyond Chicken Tenders, Beyond Chicken Nuggets and Beyond Popcorn Chicken. With the exception of Beyond Chicken Tenders, which is sold across our U.S. and international retail and foodservice channels, the poultry platform products are primarily sold in our U.S. retail channel. The protein content for our poultry platform products is primarily derived from faba bean protein and wheat gluten.

## **Customers**

Since the success of the Beyond Burger, we have created a strong presence at leading food retailers across the United States and abroad. As of December 2022, Beyond Meat branded products were available in approximately 78,000 retail outlets in the United States and 35,000 retail outlets internationally.

We remain focused on expanding our partnerships with foodservice customers over time, including large full-service restaurant ("FSR") and QSR customers in the United States and abroad. As of December 2022, Beyond Meat branded products were available in approximately 43,000 foodservice outlets in the United States and 34,000 foodservice outlets internationally.

We sell to a variety of customers in the retail and foodservice channels throughout the United States and internationally primarily through distributors who purchase, store, sell and deliver our products. Because such distributors function in an intermediary role, we do not consider them to be direct customers. In addition, we sell directly to customers in the retail and foodservice channels who handle their own distribution.

In 2022, DOT Foods, Inc. ("DOT") accounted for approximately 12% of our gross revenues. In 2021, DOT and Zandbergen WFM accounted for approximately 12% and 11% of our gross revenues, respectively. In 2020, Costco accounted for approximately 13% of our gross revenues. No other distributor or customer accounted for more than 10% of our gross revenues in 2022, 2021 or 2020.

## **Our Supply Chain**

- **Sourcing and Suppliers**

The principal ingredient used to manufacture our products is pea protein. We procure the raw materials for our woven protein from a number of different suppliers. Although most of the raw materials we require are typically readily available from multiple sources, we currently have a limited number of suppliers for the pea protein used in our products.

- **Supply Agreements**

We have a multi-year sales agreement with Roquette Frères (“Roquette”) for the supply of pea protein which expires on December 31, 2023. We are obligated to purchase certain minimum annual amounts as specified in the agreement. We continually seek additional sources of pea protein and other plant-based protein for our products that meet our criteria.

Flavors consist of product flavors that have been developed by our innovation team in collaboration with our supply partners exclusively for us or in collaboration with our foodservice partners. The formulas are then produced by our suppliers for use in our products. Ingredients in our flavors are qualified through trials to ensure manufacturability. Upon receipt of the ingredients, we receive Certificates of Analysis from our suppliers in our quality control process to confirm that our rigorous standards have been met. Flavors are extensively tested prior to introduction to ensure finished product attributes such as taste, texture, aroma and appearance are not negatively impacted.

Other than the pea protein supply agreement described above, we generally do not have long-term supply agreements with our other suppliers. As most of the raw materials we use in our flavors are readily available in the market from many suppliers, we believe that we can within a reasonable period of time make satisfactory alternative arrangements in the event of an interruption of supply from our vendors.

## **Manufacturing**

As the first step in our manufacturing process a dry blend containing our plant protein is combined within our manufacturing facility. The dry blend then enters our extruder, where both water and steam are added. We then use a combination of heating, cooling and variations of pressure to weave together the proteins into an architecture that mimics the texture and muscle structure of animal meat. The formed woven protein is used as the basis of all our products. Next, internally or through our co-manufacturers, we further process the woven protein by combining flavorings and other ingredients, after which the final packaged product is then shipped to distributors or direct to customers. In order to sustain the quality of our products, we have implemented a “define, measure, analyze, improve and control,” or DMAIC, approach to improve, optimize and stabilize our processes and design.

We depend on co-manufacturers for the manufacturing of some of our products. Our co-manufacturers are currently in various locations throughout the United States, Canada, the Netherlands and China. We continue to explore further optimization of our production capabilities domestically and abroad to produce our woven proteins, blends of flavor systems and binding systems, and finished goods.

## **Quality Control**

In-process quality checks are performed throughout the manufacturing process, including temperature, physical dimensions and weight. We provide specific instructions to customers and consumers for storing and cooking our products. A majority of our products are transported and stored frozen. Frozen products such as Beyond Beef Crumbles and Beyond Breakfast Sausage Patties are intended to be prepared from their frozen state, with cooking instructions enclosed on all packaging.

Retail products sold in the meat case, such as the Beyond Burger, Beyond Sausage, Beyond Beef, Beyond Meatballs and Beyond Sausage Links, are shipped to the customer frozen. The customer is provided instructions on ‘slacking,’ which is typically done by moving frozen food to a refrigerator to allow it to slowly and

safely thaw before cooking. For this step, retailers must apply a “use by date” sticker to the packaging prior to sale.

### **Distribution**

From our internal manufacturing or co-manufacturing facilities, products are transferred by third-party logistics providers to cold storage facilities or are directly shipped to the customer. International shipments are also handled by third-party logistics providers and in some instances are organized directly by the customer.

At present, we manage shipments through Manhattan Active Transportation Management System (TMS) and FourKites for real-time shipment tracking and visibility to coordinate our supply chain through to final distribution.

### **Order Fulfillment**

Our customer service and logistics functions are responsible for customer-facing activities, order management, customer logistics, 3PL leadership and intra-company distribution. We utilize Oracle NetSuite ERP and integration with our 3PL Cloud interface platforms for these processes. Customer orders are principally transmitted via electronic data interface, or EDI, but may be processed manually if necessary. Orders are accepted in NetSuite, reviewed for accuracy and fulfillment plans are developed. When fulfillment plans are ready, orders are tendered to 3rd party carriers via Manhattan TMS. Metrics for the Customer Service and Logistics team include order fill rates, on-time delivery, customer scorecards as needed and cost leadership. We have agreements with third-party service providers for all of our shipping needs.

### **Sales and In-Store Activation**

- **Sales**

As of December 31, 2022, our sales team is organized into four divisions: retail, foodservice, international and strategic partnerships. Additionally, we have strong support functions with Category Management, Consumer Insights and Analytics, Customer Service and Marketing. The sales team has an extensive range of experience from leading CPG, natural food, meat and plant-based meat companies. It works in close coordination with a network of global broker and distributor partners that gives us the expertise and access to accounts and markets across key global markets in an efficient and scalable fashion as we continue to seek to grow our footprint and sales globally.

- **Brand Marketing**

The primary means by which we have driven consumer awareness of our products is via social and digital media, PR, retail and foodservice shopper marketing, ambassador and influencer activations, paid media and strategic partnerships. Our marketing strategy focuses on driving awareness all the way through to purchase and loyalty.

We maintain active social media platforms such as Facebook, Instagram, TikTok and Twitter to build awareness, share news, reach new audiences and engage with our consumers. These platforms allow us to engage with our consumers and directly reach target demographics such as millennials and “Generation Z.” We also leverage our first party data to distribute brand information and news, foster loyalty through unique offers and share recipe content to drive consumption.

We also maintain a registered domain website at [www.beyondmeat.com](http://www.beyondmeat.com), which serves as the primary source of information regarding our products, as well as foreign domains in certain countries. Our website is used as a platform to promote our products, provide news, share recipes, highlight nutritional facts and provide general information on where to purchase our products.

We are fortunate to have partnered with a network of brand ambassadors and developed a strong following by celebrities from the worlds of sports and entertainment who share our core values. Their organic involvement and interest are helpful to promote our overall mission and strategic partnerships.



In 2022, we deployed targeted brand campaigns to build awareness, reach new users and drive conversion. Our paid digital initiatives included social, programmatic, podcasts, out-of-home, online video, connected TV, and digital offers and rewards.

## **Competition**

We operate in a highly competitive environment. We believe that we compete with both conventional animal-protein companies, such as Cargill, Hormel, JBS, Perdue Foods, Tyson and WH Group, and also plant-based meat brands, including brands affiliated with conventional animal-protein companies and other large food operators, such as Alpha Foods, Boca Foods (Kraft Heinz), Lightlife and Field Roast Grain Meat Co. (Maple Leaf Foods), Gardein (Conagra), Hungry Planet, Inc., Impossible Foods, Incogmeato/Morningstar Farms (Kellogg), Moving Mountains, Omn!pork (OmniFoods), Tofurky, Sweet Earth and Awesome Burger (Nestle' S.A.), Pure Farmland by Smithfield Foods (WH Group), Raised & Rooted (Tyson), Happy Little Plants (Hormel), Sysco's Simply Plant-Based Meatless Burger, Tattooed Chef, The Not Company and Vegetarian Butcher (Unilever). Additionally, a number of U.S. and international companies are working on developing lab-grown or "clean meat," an animal-protein product cultivated from cells taken from animals, which could have a similar appeal to consumers as plant-based products.

We believe the principal competitive factors in our industry are:

- taste;
- nutritional profile;
- ingredients;
- texture;
- ease of integration into the consumer diet;
- low-carbohydrate, low-sugar, high fiber and protein;
- lack of cholesterol, gluten and GMOs;
- convenience;
- price and promotion tactics;
- brand awareness and loyalty among consumers;
- media spending;
- product variety and packaging;
- access to major retailer shelf space and retail locations;
- access to major foodservice outlets and integration into menus;
- innovation; and
- intellectual property protection on products.

We believe we compete effectively with respect to each of these factors. However, many companies in our industry have substantially greater financial resources, more comprehensive product lines, broader market presence, longer standing relationships with distributors and suppliers, longer operating histories, greater production, commercialization and distribution capabilities and greater marketing resources than we have.

## **Research and Development**

Our research and development team creates, tests and refines our products at our Innovation Center within our Campus Headquarters. We employ in-house scientists, engineers, researchers and testers to help create the next iterations of our plant-based meat products. Our team has delivered a number of first-to-market

breakthroughs focused on plant-based meat and we are also focused on continuous improvement of existing products. We have and will continue to protect any intellectual property created by us.

Our Beyond Meat Rapid and Relentless Innovation Program defines the details of the product innovation process from ideation and prototype development through commercialization. This process assigns responsibility and accountability of each functional team throughout the process and defines deliverables at each step.

### **Product Innovation**

Innovation is a core competency of ours and an important part of our growth strategy. Our goal is to identify large, animal-based meat product categories across our core plant-based platforms of beef, pork and poultry that exhibit long-term consumer trends. We then dedicate significant research and development resources to create authentic plant-based versions of these products that replicate the taste, texture, aroma and appearance of their animal-based equivalents. We have been able to leverage the success of our existing products and resulting brand equity to launch improved versions of our existing products and create new products.

The innovation team undertakes extensive research projects to increase our fundamental understanding of animal-based meat and plant-based equivalents. A few examples of where we are focusing on continued refinements of our products include:

- *Better fat adipose tissue and saturated fat mimics*: We are researching new materials and technologies capable of mimicking saturated fat in terms of texture and appearance, but without the nutritional drawbacks of saturated fat.
- *Alternative functional proteins*: We pursue new non-animal proteins that add function to our food products, including native proteins that can denature during cooking, protein binders and protein emulsifying agents and proteins.
- *Additional connective tissue equivalents*: We are seeking materials and methods to introduce additional cartilaginous-like materials and heterogeneity in the form of both texture and appearance in our food products.
- *Encapsulation materials and technology*: We are seeking new materials and technologies to expand the scope of controlled-release delivery systems in our food products as it relates to delivering flavor, color and texturizing agents.
- *Materials and technologies to support flavor and texture development*: We are seeking non-GMO enzymes that can assist with protein enzymolysis as it relates to flavor reactions.

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. In the fourth quarter of 2022, we began taking steps to restructure certain contracts and operating activities related to Beyond Meat Jerky. Such activities are expected to continue through most of 2023.

### **Seasonality**

Generally, we expect to experience greater demand for certain of our products during the summer grilling season. In 2022 and 2021, U.S. retail channel net revenues during the second quarter were 16% and 21% higher than the first quarter, respectively. We expect to 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 addition, in an environment of recessionary and inflationary pressures, general softness in the plant-based category, competition and other factors impacting our business, including uncertainty around the long-term impacts of COVID-19, we are unable to assess the ultimate impact on the demand for our products as a result of seasonality.

## Human Capital Resources

- **Employees**

As of December 31, 2022, we had 787 full-time employees and 89 contract workers. None of our employees is represented by a labor union. We have never experienced a labor-related work stoppage.

- **Employee Health and Safety Related to COVID-19**

In the United States, we have transitioned back to normal operating procedures with a heightened awareness of maintaining a healthy workplace and work environment. At all of our facilities, we follow current guidelines from local departments of public health and have implemented comprehensive preventative hygienic measures to support the health and safety of our employees.

As a result of China's lifting of its zero COVID policies, our facilities in China no longer require visitors and personnel to obtain a 72-hour swab test. However, at our R&D center and Jiaxing factory, visitors are still required to pre-register their personal details and record their temperature. Those who record symptoms relating to a fever or report cough symptoms are not allowed to enter these two facilities.

- **Diversity and Inclusion**

We value the unique talent and merit that derive from diverse backgrounds and experience. We aspire to engender and affirm equity and inclusion through a purposeful investment in qualified individuals from an array of different communities. Our company culture thrives when different perspectives and ideas inform our strategic goals to innovate and deliver to customers of every socio-economic background. We recognize that representation and collaboration are vital components to address the challenges that face our planet. We have developed a framework of guiding principles that set the foundation for sustainable Diversity, Equity and Inclusion practices by reducing subjectivity and biases via data-driven decisions and promoting shared ownership for inclusive behaviors and actions across the organization. In addition, we are actively working on our diversity and inclusion roadmap, which focuses on four pillars: Workplace Inclusion, Employee Experience, Equitable Brand and Community.

- **Mission, Culture and Engagement**

Everything we do is powered by our mission and core values and our corporate culture reflects that. As a result, we enjoy a highly motivated and skilled workforce committed to our mission and our company. We believe we have a unique culture which promotes employee engagement. Our employees are driven by our mission which promotes collaboration and innovation. We promote employee engagement by organizing various employee activities that are aligned with our mission, including our weekly "Coffee Talk," a forum for employee engagement with the leadership.

- **Total Rewards and Pay Philosophy**

We strive to attract and retain diverse, high-caliber employees who raise the talent bar by offering competitive compensation and benefit packages, regardless of their gender identity, race, age, perspective, or other personal characteristics. We regularly review and survey our compensation and benefit programs against the market to ensure we remain competitive in our hiring practices. We provide employee salaries that are competitive and consider factors such as an employee's role and experience, the location of their job and their performance.

We also review our compensation practices, both in terms of our overall workforce and individual employees, to ensure our pay is fair and equitable. In addition to our competitive salaries, to enhance our employees' sense of participation in the company and to further align their interests with those of our stockholders, we offer equity to all of our salaried employees.

We offer a variety of comprehensive medical benefits to our employees. In addition to medical benefits, we offer our employees dental and vision coverage, health savings and flexible spending accounts, paid time off,

paid company holidays, paid parental leave, bereavement leave, pet bereavement leave, employee assistance programs, a 401(k) retirement savings plan with company matching contributions, voluntary short-term and long-term disability insurance, and life insurance.

- **Development and Retention**

We strive to hire, develop and retain outstanding talent that is passionate about changing the world and that continuously raises the performance bar. We encourage, support and compensate our employees based on our philosophy of recognizing and rewarding exceptional performance. We achieve this by focusing on development, goal setting, accomplishments and ongoing feedback that aligns with short- and long-term company strategy. We believe that development is foundational to future success and should be an ongoing process in which all employees should be active participants.

### **Trademarks and Other Intellectual Property**

We own domestic and international trademarks and other proprietary rights that are important to our business. Depending upon the jurisdiction, trademarks are valid as long as they are used in the regular course of trade and/or their registrations are properly maintained. Our primary trademarks include Beyond Meat, Beyond Burger, Beyond Beef, Beyond Sausage, Beyond Breakfast Sausage, Beyond Chicken, Beyond Fried Chicken, Beyond Meatball, the Caped Steer Logo, Go Beyond, Eat What You Love, Cookout Classic, The Future of Protein, and The Future of Protein Beyond Meat and design, and are registered or pending trademarks of Beyond Meat, Inc. in the United States and, in some cases, in certain other countries. Our trademarks are valuable assets that reinforce the distinctiveness of our brand to our consumers. We have applied for or have trademark registrations internationally as well. We believe the protection of our trademarks, copyrights, patents, domain names, trade dress and trade secrets are important to our success.

We aggressively protect our intellectual property rights by relying on trademark, copyright, patent, trade dress and trade secret laws and through the domain name dispute resolution system. We maintain a registered domain website at [www.beyondmeat.com](http://www.beyondmeat.com), as well as foreign domains in certain countries.

We believe our intellectual property has substantial value and has contributed significantly to our business. As of December 31, 2022, we had two issued patents in the United States and seven issued patents outside the United States (U.K., Indonesia, Canada, China, Chile, Israel and Australia), two pending patent applications in the United States, eight pending international patent applications and one provisional patent application.

We consider the specifics of our marketing, promotions and products as a trade secret, and information we wish to keep confidential. In addition, we consider proprietary information related to formulas, processes, know-how and methods used in our production and manufacturing as trade secrets, and information we wish to keep confidential. We have taken reasonable measures to keep the above-mentioned items, as well as our business and marketing plans, customer lists and contracts reasonably protected, and they are accordingly not readily ascertainable by the public.

### **Segments**

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by its chief operating decision maker ("CODM"), in deciding how to allocate resources to an individual segment and in assessing performance. Our CODM is our Chief Executive Officer. We have determined that we operate in one operating segment and one reportable segment, as our CODM reviews financial information presented on an aggregate basis for purposes of making operating decisions, allocating resources and evaluating financial performance.

### **Government Regulation**

Along with our co-manufacturers, brokers, distributors and ingredients and packaging suppliers, we are subject to extensive laws and regulations in the United States by federal, state and local government authorities and in Canada, the European Union, the United Kingdom, China and other jurisdictions by foreign authorities. In

the United States, the primary federal agencies governing the manufacture, distribution, labeling and advertising of our products are the FDA and the FTC, and foreign regulatory authorities include Health Canada or the Canadian Food Inspection Agency (“CFIA”) and the authorities of the EU or the EU member states. Under various federal statutes and implementing regulations and foreign requirements, these agencies, among other things, prescribe the requirements and establish the standards for quality and safety and regulate our product composition, ingredients, manufacturing, labeling and other marketing and advertising to consumers. Among other things, the facilities in which our products and ingredients are manufactured must register with the FDA and any other relevant authorities based on location, comply with current good manufacturing practices, or cGMPs, and comply with a range of food safety requirements established by and implemented under the Food Safety Modernization Act of 2011 and applicable foreign food safety and manufacturing requirements. Federal, state, and foreign regulators have the authority to inspect our facilities to evaluate compliance with applicable requirements. Federal, state, and foreign regulatory authorities also require that certain nutrition and product information appear on our product labels and, more generally, that our labels and labeling be truthful and non-misleading and that our marketing and advertising be truthful, non-misleading and not deceptive to consumers. We are also restricted from making certain types of claims about our products, including for example, in the United States, nutrient content claims, health claims, and claims regarding the effects of our products on any structure or function of the body, whether express or implied, unless we satisfy certain regulatory requirements.

In addition, 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.

In addition to federal regulatory requirements in the United States, certain states impose their own manufacturing and labeling requirements. For example, every state in which our products are manufactured requires facility registration with the relevant state food safety agency, and those facilities are subject to state inspection as well as federal inspection. Further, states can impose state-specific labeling requirements. For example, in 2018, the state of Missouri passed a law that prohibits any person engaged in advertising, offering for sale, or sale of food products from misrepresenting products as meat that are 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 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. We believe that our products are manufactured and labeled in material compliance with existing state requirements, including the 2018 Missouri law, and pay close attention to any developments at the state or federal level that could apply to our products and our labeling claims.

We are also subject to the laws of Australia, Canada, Hong Kong, Israel, China, the European Union (and individual member countries) and the United Kingdom, among others, and requirements specific to those jurisdictions could impose additional manufacturing or labeling requirements or restrictions. For example, 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 October 2021, France published a draft implementing decree (the “Decree”), to define, for example, the sanctions in case of non-compliance with the new law. The Decree was published on June 29, 2022, and entered into force on October 1, 2022. We do not believe that the Decree complies with the laws of the European Union, in particular the principle of free movement of goods. On July 27, 2022, at the request of a trade association, the French High Administrative Court partially suspended the execution of the Decree. This signals that there are indeed serious doubts as to the lawfulness of the Decree, though the suspension is only partial and temporary until the Court rules on the merits of the case. We also note that this prohibition has not been appropriately notified to the European Commission, and that as a result, the prohibition is, in principle, non-enforceable. In November 2021, Beyond Meat co-signed a letter from the European Alliance of Plant-Based

Foods protesting this law. 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. Beyond Meat is actively monitoring these developments, but if adopted, they may require it to change its labeling and advertising.

We are subject to labor and employment laws, laws governing advertising, privacy laws, anti-corruption laws, safety regulations and other laws, including consumer protection regulations that regulate retailers or govern the promotion and sale of merchandise. Our operations, and those of our co-manufacturers, distributors and suppliers, are subject to various laws and regulations relating to environmental protection and worker health and safety matters. We monitor changes in these laws and believe that we are in material compliance with applicable laws. These laws and regulations are constantly evolving, and it is challenging to predict accurately the effect they may have upon the capital expenditures, earnings and our competitive position in the future.

### **Corporate Information**

Beyond Meat, Inc. was incorporated in Delaware on April 8, 2011 originally under the name "J Green Natural Foods Co." On October 5, 2011, we changed our corporate name to "Savage River, Inc.," with "Beyond Meat" being our "doing business as" name. On September 7, 2018, we changed our corporate name to "Beyond Meat, Inc."

Our common stock is listed on the Nasdaq Global Select Market under the symbol "BYND."

### **Emerging Growth Company Status**

Upon the completion of our IPO, we elected to be an Emerging Growth Company ("EGC"), as defined in the Jumpstart Our Business Startups Act. An EGC is defined as a company with total annual gross revenues of less than \$1.07 billion during its most recently completed fiscal year. A company will retain its EGC status until the earlier of: (1) the last day of the fiscal year in which it exceeds \$1.07 billion in annual gross revenues; (2) the last day of the fiscal year following the fifth anniversary of the date it first sold securities pursuant to an initial public offering registration statement; (3) the date on which the EGC has, within the previous three years, issued \$1 billion of nonconvertible debt; or (4) the date it is deemed to be a large accelerated filer (an SEC registered company with a public float of at least \$700 million).

Effective December 31, 2020, we lost our EGC status and are now categorized as a Large Accelerated Filer based upon the current market capitalization of the Company according to Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a result, we must comply with all financial disclosure and governance requirements applicable to Large Accelerated Filers.

### **Our Website and Availability of SEC Reports and Other Information**

The Company maintains a website at the following address: [www.beyondmeat.com](http://www.beyondmeat.com). The information on the Company's website is not incorporated by reference in this report or in any other report or document we file with the SEC, and any references to our website are intended to be inactive textual references only.

We make available on or through our website certain reports and amendments to those reports we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act. These include our annual reports on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC. The SEC also maintains a web site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the site is <http://www.sec.gov>.

Investors and others should note that Beyond Meat routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the Beyond Meat Investor Relations website. We also intend to use certain social media channels as a means of disclosing information about us and our products to consumers, our customers, investors and the public (e.g., @BeyondMeat, #BeyondBurger and #GoBeyond on Facebook, Instagram and Twitter, and @BeyondMeatOfficial on TikTok). The information posted on social media channels is not incorporated by reference in this report or in any other report or document we file with the SEC. While not all of the information that the Company posts to the Beyond Meat Investor Relations website or to social media accounts is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Beyond Meat to review the information that it shares at the "Investors" link located at the bottom of our webpage at <https://investors.beyondmeat.com/investor-relations> and to sign up for and regularly follow our social media accounts. Users may automatically receive email alerts and other information about the Company when enrolling an email address by visiting "Request Email Alerts" in the "Investors" section of Beyond Meat's website at [www.investors.beyondmeat.com/investor-relations](http://www.investors.beyondmeat.com/investor-relations).

## ITEM 1A. RISK FACTORS.

### Risk Factor Summary

We are providing the following summary of the risk factors contained in this report to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors immediately following this summary as well as the other information in this report, including the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Note Regarding Forward-Looking Statements*," and our consolidated financial statements and related notes, before deciding whether to invest in shares of our common stock. The risks and uncertainties described in this report may not be the only ones we face. If any of the risks actually occurs, our business, financial condition, operating results, cash flows and prospects could be materially and adversely affected. In this case, the trading price of our common stock would likely decline and you might lose part or all of your investment in our common stock. These risks and uncertainties include, but are not limited to, the following:

- **Risks Related to Our Business**, such as, disruptions in the worldwide economy including an economic recession, downturn, periods of inflation or economic uncertainty; risks associated with inflationary price pressures including the effects of rising interest rates; reduced consumer confidence and changes in consumer spending and negative trends in consumer purchasing patterns; factors negatively impacting demand in the plant-based meat category; our history of losses and ability to achieve or sustain profitability, which could result in the contraction of our business and the implementation of significant cost cutting measures; risks and uncertainties associated with our cost-reduction initiatives, workforce reductions, executive leadership changes, realignment of reporting structures, and the timing and success of achieving certain financial goals or cash flow positive targets; 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 such as downsizing and exiting certain operations, domestically and/or abroad; our ability to effectively expand or optimize our manufacturing operations and accurately forecast demand for our products; our ability to utilize our capacity efficiently or accurately plan our capacity requirements; our ability to sell our inventory in a timely manner which may require us to sell our products through liquidation channels at lower prices, write-down or write-off obsolete inventory, or increase inventory reserves; our ability to forecast future results of operations and financial goals or targets; our reliance on a limited number of third-party suppliers and our ability to procure sufficient high quality raw materials; disruptions to our supply chain; limited availability of pea protein that meets our standards; our limited number of distributors; consolidation of customers, loss of a significant customer or our inability to acquire new customers; loss of one or more of our co-manufacturers; damage or disruption at our manufacturing facilities and operational delays at our new manufacturing facilities; delays with the build out of our new Campus Headquarters; difficulties expanding into new markets; effects of the COVID-19 pandemic on our business; slow, declining or negative revenue growth rates; revenue and earnings fluctuations; seasonal fluctuations; delays in

product delivery by third-party transportation providers; failure to retain our senior management and attract and retain employees; use of professional employer organizations to employ certain of our international employees; failure of recent and future acquisitions or investments to be efficiently integrated; scrutiny from our stakeholders, institutional investors and governmental bodies on our environmental, social and governance (“ESG”) practices; accounting estimate risks; and risks stemming from workplace accidents or safety incidents.

- **Risks Related to Our Products**, such as, incidents of food safety and food-borne illnesses or advertising or product misbranding; reduction in sales of the Beyond Burger; changing consumer preferences; failure to introduce new products or successfully improve existing products; our ability to accurately predict consumer taste preferences and respond quickly to new trends; and ingredient and packaging costs volatility.
- **Risks Related to Our Industry and Brand**, such as, increased competition in our market and new market entrants; harm to our brand or reputation due to real or perceived quality or health issues with our products; and failure to develop and maintain our brand.
- **Risks Related to Our International Operations**, such as, business, regulatory, political, financial and economic risks of doing business in China and Europe; foreign exchange rate fluctuations; and potential violations of the FCPA and other anti-corruption laws.
- **Risks Related to Our Investments**, such as, our manufacturing operations in China and the Netherlands; our ownership of real property; and participation in joint ventures.
- **Risks Related to Our Intellectual Property, Information Technology, Cybersecurity and Privacy**, such as, our ability to adequately protect our proprietary technology and intellectual property; our reliance on information technology systems; the occurrence of a cybersecurity incident or other technology disruptions or failure to comply with the laws and regulations relating to privacy and the protection of individual data.
- **Risks Related to Our Lease Obligations, Indebtedness, Financial Position and Need for Additional Capital**, such as, delays or cost overruns associated with the build out of our new Campus Headquarters and the impact of workforce reductions or other cost-reduction initiatives on our space demands; failure to meet our significant lease obligations or risks related to excess space capacity under our leases due to workforce reductions or other cost-reduction initiatives; risks related to the Notes; inability to access restricted cash that collateralizes letters of credit; and failure to obtain additional financing to achieve our goals.
- **Risks Related to the Environment, Climate and Weather**, such as, a major natural disaster or severe weather event in areas where our facilities are located; and negative effects from climate change.
- **Risks Related to Being a Public Company**, such as, the effectiveness of our internal controls; limitations in our internal control system resulting in undetected errors or fraud; and the increased costs associated with complying with the requirements applicable to public companies.
- **Risks Related to Regulatory and Legal Compliance Matters, Litigation and Legal Proceedings**, such as, FDA compliance; legal claims, government investigations and other regulatory enforcement actions; compliance with international regulations; changes in existing laws or regulations or the adoption of new laws or regulations; failure by our suppliers of raw materials or co-manufacturers to comply with food safety, environmental or other laws or with the specifications and requirements of our products; and ongoing litigation or legal proceedings.
- **General Risk Factors**, such as, high volatility in our share price; reduction in our share price due to a substantial number of sales; decline in our share price and trading volume due to adverse or misleading opinions by securities or industry analysts regarding our business; no history of paying dividends or



plans to pay dividends to our stockholders in the foreseeable future; provisions included in our charter documents to delay or prevent a change in control of our company; limitation of stockholders' ability to obtain a favorable judicial forum for disputes due to the exclusive forum provision in our restated certificate of incorporation; and limitation of our ability to utilize our federal net operating loss and tax credit carryforwards.

## **Risk Factors**

### **Risks Related to Our Business**

***Disruptions in the worldwide economy, including an economic recession, downturn, periods of inflation or economic uncertainty, have and may continue to 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 the COVID-19 pandemic, other pandemics, epidemics or other public health crises) 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. For example, in connection with the war in 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 has given rise and may continue to 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 and capital 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.

Starting in 2020, the COVID-19 pandemic had a significant impact on the worldwide economy and, in turn, our business, financial condition and results of operations. Although we expect the impacts of the pandemic, and the resulting effects on the economy, on us to continue to decline, we are likely to see certain prolonged effects. For example, certain of our QSR customers reduced their menu offerings in response to COVID-19, which negatively impacted plant-based food items. If those customers are slow to re-expand their menus, or choose not to put plant-based products back on their menus, our business could be adversely affected.

As global economic conditions continue to be volatile or uncertain and recessionary or inflationary pressures exist, trends in consumer discretionary spending also remain unpredictable and subject to changes. We have seen consumers 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 have reduced 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 have become more conservative in response to these conditions and have sought 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 has put downward pressure on margins and has and may continue to negatively impact our financial results. Prolonged unfavorable economic

conditions or uncertainty would be expected to 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, has negatively impacted, and could continue to negatively impact, our business and results of operations.***

Our operating environment has been impacted by inflation and rising interest rates. 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 has led to higher costs for our products in our foodservice and retail channels and has negatively impacted and may continue to 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 continue to 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 United States Federal Reserve has raised its benchmark interest rate multiple times. Several other central banks, including the European Central Bank, have signaled increases in benchmark interest rates. Increased borrowing costs faced by our customers could result in decreased demand for 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. The impact of high inflation and the plant-based meat sector's premium pricing relative to animal protein have caused and could continue to cause consumers to trade down into cheaper forms of protein, including animal meat.

***We have a history of losses, and we may be unable to achieve or sustain profitability.***

We have experienced net losses in almost every period since our inception. In 2022, 2021 and 2020, we incurred net losses of \$366.1 million, \$182.1 million and \$52.8 million, respectively. Although we anticipate decreasing our operating expenses in 2023, over time our operating expenses and capital expenditures may increase as we hire additional employees; support our strategic and other QSR customer relationships; innovate and commercialize products; build our brand, expand our marketing channels and drive consumer adoption of our products; continue to invest to expand our production capacity through our own internal production facilities, domestically and abroad; build out our Campus Headquarters; increase our customer base, supplier network and co-manufacturing partners; scale production across distribution channels; pursue geographic expansion; and enhance our technology and production capabilities. These efforts may prove more expensive than we anticipate, and we may not succeed in increasing our revenues and margins sufficiently to offset the anticipated higher expenses. We incur significant expenses in developing our innovative products, building out our facilities, securing an adequate supply of raw materials, obtaining and storing ingredients and other products and marketing the products we offer. In addition, many of our expenses, including some of the costs associated with our existing and any future manufacturing facilities, are fixed. Accordingly, we may not be able to successfully implement our new sustainable growth strategy or achieve or sustain profitability, and we may incur significant losses for the foreseeable future.

***Our strategic initiatives to reduce our cost structure towards cash flow positive operations could have long-term adverse effects on our business, and we may not realize the operational or financial benefits from such actions.***

Our cost-reduction initiatives, expected charges and savings related to our recent workforce reductions and executive leadership changes, and the timing and success of achieving our cash flow positive targets are subject to many risks and uncertainties. The charges associated with the reduction-in-force and executive leadership changes may be greater than anticipated, completion of the reduction-in-force may take longer than anticipated, we may be unable to realize the contemplated benefits in connection with the workforce reduction, executive leadership changes and other potential cost-reduction initiatives, and the workforce reduction,

executive leadership changes and cost-reduction initiatives may have an adverse impact on our performance. Additionally, our ability to meet our cash flow positive targets is subject to a number of assumptions and uncertainties, including, without limitation, our ability to reduce costs and achieve positive gross margins; our ability to meet certain revenue and operating expense targets, which may be subject to factors beyond our control; and our ability to monetize inventory and manage working capital. The other risks described in this report may also hinder our ability to implement our strategic initiatives.

As we continue to identify areas of cost savings and operating efficiencies, we may consider implementing further measures to help streamline operations and improve our cost efficiencies, including downsizing or exiting certain operations. However, our strategic growth initiatives may not be adequate to support the long-term operations of our business, particularly under adverse circumstances. Furthermore, we may not be successful in implementing these initiatives or realizing our anticipated savings and efficiencies, including as a result of factors beyond our control. In the event we have excess capacity or vacancy in any of our facilities or office spaces, we may sublease portions of the excess space to third parties and may be unable to sublease our excess space on favorable terms, or at all, or if we are able to sublease space but our subtenants fail to make lease payments to us or otherwise default on their obligations to us, we could incur substantial payment obligations to our landlords. If we are unable to realize the anticipated savings and efficiencies of our cost reduction initiatives and related strategic initiatives, our operating and financial results would be adversely affected and could differ materially from our expectations.

***Our inability to streamline operations and improve cost efficiencies could result in the contraction of our business and the implementation of significant cost cutting measures.***

We have undertaken efforts to streamline operations and improve cost efficiencies, including related to our supply chain, marketing and commercialization efforts. For example, on August 3, 2022 and October 14, 2022, we announced reductions-in-force affecting approximately 4% and 19%, respectively, of our global workforce. We may not realize, in full or in part, the anticipated benefits, savings and improvements in our operating results from these efforts due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings, our operating results and financial condition would be adversely affected. We also cannot guarantee that we will not have to undertake additional workforce reductions in the future. Furthermore, our workforce reductions may be disruptive to our operations. For example, our workforce reductions could yield unanticipated consequences, such as attrition beyond planned staff reductions, increased difficulties in our day-to-day operations and reduced employee morale. In addition, while positions have been eliminated, certain functions necessary to our reduced operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. We may also discover that the reductions in workforce and cost cutting measures will make it difficult for us to pursue new opportunities and initiatives and require us to hire qualified replacement personnel, which may require us to incur additional and unanticipated costs and expenses. Moreover, there is no assurance we will be successful in our efforts. Our failure to successfully accomplish any of the above activities and goals may have a material adverse impact on our business, financial condition, and results of operations.

***If we fail to effectively expand or optimize our manufacturing and production capacity, accurately forecast demand for our products or quickly respond to forecast changes, our business and operating results and our brand reputation could be harmed.***

If we do not have sufficient capacity to meet our customers' demands and to satisfy increased demand, or are not able to streamline and optimize manufacturing capacity for specific products, we will need to expand our operations, supply and manufacturing capabilities. However, there is risk in our ability to effectively scale production processes, optimize manufacturing capacity for specific products and effectively manage our supply chain requirements. We must accurately forecast demand for each of our products and inventory needs in order to ensure we have adequate available manufacturing capacity for each such product and to ensure we are effectively managing our inventory. Our forecasts are based on multiple assumptions which may cause our estimates to be inaccurate and affect our ability to obtain adequate manufacturing capacity (whether our own manufacturing capacity or co-manufacturing capacity) and adequate inventory supply in order to meet the

demand for our products, which could prevent us from meeting increased customer demand and harm our brand and our business and in some cases may result in fines or indemnification obligations we must pay customers or distributors if we are unable to fulfill orders placed by them in a timely manner or at all.

Consumer demand for plant-based meat products has recently cooled down. For example, in the fourth quarter of 2022, all of our markets and channels were negatively impacted by softness in demand. If consumer demand for plant-based meats continues to decrease, or if any such decrease is prolonged, demand for our products by our customers may also decrease, which could in turn have a material adverse effect on our business, financial condition and results of operations.

Furthermore, if we do not accurately align our manufacturing capabilities and inventory supply with demand, if we experience disruptions or delays in our supply chain, or if we cannot obtain raw materials of sufficient quantity and quality at reasonable prices and in a timely manner, our business, financial condition and results of operations may be materially adversely affected.

***We may not be able to utilize our capacity efficiently or accurately plan our capacity requirements, which may adversely affect our gross margin, business and operating results.***

If we overestimate our demand and overbuild our capacity or inventory, we may have significantly underutilized assets. Underutilization of our manufacturing and/or co-manufacturing facilities can adversely affect our gross margin and other operating results. If demand for our products experiences a prolonged decrease, we may be required to terminate or make penalty-type payments under certain supply chain arrangements, close or idle facilities and write down our long-lived assets or shorten the useful lives of underutilized assets and accelerate depreciation, which would increase our expenses.

If demand does not materialize at the rate forecasted, we may not be able to scale back our manufacturing expenses or overhead costs quickly enough to correspond to the lower than expected demand. This could result in lower margins and adversely impact our business and results of operations. Additionally, if product demand decreases or we fail to forecast demand accurately, our results may be adversely impacted due to higher costs resulting from lower manufacturing utilization, causing higher fixed costs per unit produced. Further, we may be required to recognize excess or obsolete inventory write-off charges, or excess capacity charges, which would have a negative impact on our results of operations.

***If we are unable to sell our inventory in a timely manner, it could become obsolete, which could require us to write-down or write-off obsolete inventory, which could harm our operating results.***

There is a risk that we may be unable to sell our inventory in a timely manner to avoid it becoming obsolete. If we are required to substantially discount our inventory or are unable to sell our inventory in a timely manner, we would be required to increase our inventory reserves or write off obsolete inventory and our operating results could be substantially harmed. Alternatively, we may be required to mark down certain products to sell any excess inventory or to sell such inventory through liquidation channels at significantly lower prices, which would negatively impact our business and operating results. In the year ended December 31, 2022, our net revenues were negatively impacted by strategic price reductions, and our gross profit was negatively impacted by higher inventory reserves, which increased costs per pound.

***Our ability to accurately forecast our future results of operations is subject to many risks and uncertainties and our operating and financial results could differ materially from our expectations.***

Our ability to accurately forecast our future results of operations is limited and subject to a number of risks and uncertainties. Our historical revenue growth should not be considered indicative of our future performance and our revenue growth could slow or our revenue could decline for a number of reasons, including slowing demand for our products, increasing competition from our market competitors and new market entrants, and a decrease in the growth of our overall market. In fact, net revenues in the year ended December 31, 2022 decreased by \$45.8 million, or 9.8%, as compared to the prior year. If we are unable to identify and execute cost-down initiatives intended to achieve price parity with animal protein, we may not be able to compete effectively in our market, demand for our products may continue to slow and could continue to adversely affect

our revenues and margins. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business could suffer.

From time to time, we may release earnings guidance, financial goals or other forward-looking statements in our earnings releases, earnings conference calls or otherwise regarding our future performance that represent our management's estimates as of the date of the release. Some or all of the assumptions of any future guidance or financial goals that we furnish may not materialize or may vary significantly from actual future results. For example, our ability to meet our cash flow positive targets is subject to a number of assumptions and uncertainties, including, without limitation, our ability to reduce costs and achieve positive gross margins; our ability to meet certain revenue and operating expense targets, which may be subject to factors beyond our control; and our ability to monetize inventory and manage working capital.

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

Our estimates of market opportunity and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate. The factors that go into the calculation of our market opportunity are subject to change over time and may be variable or inaccurate and may be affected by increasing competition from our market competitors and new market entrants. Any expansion in our market depends on a number of factors, including the cost and perceived value associated with our product and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecast, our business could fail to grow at the rate we anticipate, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties.

***Because we rely on a limited number of third-party suppliers, we may not be able to obtain raw materials on a timely basis or in sufficient quantities at competitive prices to produce our products or meet the demand for our products.***

We rely on a limited number of vendors, a portion of which are located internationally, to supply us with raw materials. Our financial performance depends in large part on our ability to arrange for the purchase of raw materials in sufficient quantities at competitive prices. We have entered into a multi-year sales agreement for plant-based protein with one of our pea protein suppliers pursuant to which we are required to purchase specified minimum monthly and semi-annual quantities through the term. In addition, we have entered into a supply agreement with another supplier pursuant to which we obtain pea protein on a purchase order basis and have the right to cancel purchase orders if we provide timely written notice. The amount purchased in each quarter of 2023 is mutually agreed upon by us and the supplier prior to each quarter and becomes a binding quarterly commitment upon such agreement. Other than pursuant to these agreements, we are not assured of continued supply or pricing of raw materials. Any of our other suppliers could discontinue or seek to alter their relationship with us. We have in the past experienced interruptions in the supply of pea protein from one supplier that resulted in delays in delivery to us. We could experience similar delays in the future from any of our suppliers. Any disruption in the supply of pea protein or other raw materials would have a material adverse effect on our business if we cannot replace these suppliers in a timely manner, on commercially reasonable terms, or at all.

In addition, our pea protein suppliers manufacture their products at a limited number of facilities. A natural disaster, severe weather, fire, power interruption, work stoppage or other calamity affecting any of these facilities, or any interruption in their operations, could negatively impact our ability to obtain required quantities of pea protein in a timely manner, or at all, which could materially reduce our product sales and net revenues, and have a material adverse effect on our business and financial condition.

Events that adversely affect our suppliers of pea protein and other raw materials could impair our ability to obtain raw material inventory in the quantities at competitive prices that we desire. Such events include problems with our suppliers' businesses, finances, labor relations and/or shortages, strikes or other labor

unrest, ability to import raw materials, product quality issues, costs, production, insurance and reputation, as well as local economic and political conditions, restrictive U.S. and foreign governmental actions, such as restrictions on transfers of funds and trade protection measures, including export/import duties and quotas and customs duties and tariffs, adverse fluctuations in foreign currency exchange rates, changes in legal or regulatory requirements, border closures, disease outbreaks or pandemics (such as COVID-19), acts of war, terrorism, natural disasters, fires, earthquakes, flooding, severe weather, agricultural diseases or other catastrophic occurrences. We continuously seek alternative sources of protein to use in our products, but we may not be successful in diversifying the raw materials we use in our products.

If we need to replace an existing supplier, there can be no assurance that supplies of raw materials will be available when required on acceptable terms, or at all, or that a new supplier would allocate sufficient capacity to us in order to meet our requirements, fill our orders in a timely manner or meet our strict quality standards. If we are unable to manage our supply chain effectively and ensure that our products are available to meet consumer demand, we may not be able to fulfill customer orders, our operating costs could increase and our profit margins could decrease.

***Disruptions of our supply chain could have a material adverse effect on our operating and financial results.***

Our ability to make, move and sell products in coordination with our suppliers, third party contract manufacturers and distributors is critical to our success. Damage or disruption to our collective supply, manufacturing or distribution capabilities resulting from severe weather, fires or evacuations related thereto, natural disasters, including climate-related events, pandemics (such as the COVID-19 pandemic) or other outbreaks of contagious diseases, agricultural diseases, cyber incidents, terrorism, governmental restrictions or mandates, political instability, trade restrictions, import restrictions, border closures, freight carrier availability, labor shortages, strikes or other labor unrest, the financial or operational instability of key suppliers and carriers, repairs or enhancements at facilities manufacturing or delivering our products or other reasons could impair our ability to source inputs or manufacture, sell or timely deliver our products. To the extent we are unable to mitigate the likelihood or potential impact of such events, there could be a material adverse effect on our operating and financial results.

Additionally, there are increasing expectations in various jurisdictions that companies monitor the environmental and social performance of their suppliers, including compliance with a variety of labor practices, as well as consider a wider range of potential environmental and social matters, including the end of life considerations for products. Compliance can be costly, require us to establish or augment programs to diligence or monitor our suppliers, or, in the case of legislation such as the Uyghur Forced Labor Prevention Act, to design supply chains to avoid certain suppliers or regions altogether. Failure to comply with such regulations can result in fines, reputational damage, import ineligibility for certain products or raw materials, or otherwise adversely impact our business.

***Our future business, results of operations and financial condition may be adversely affected by reduced or limited availability of plant-based protein that meets our standards.***

Our ability to ensure a continuing supply of ingredients at competitive prices depends on many factors beyond our control, such as the number and size of farms that grow certain crops such as Canadian, European and North American yellow peas, the vagaries of these farming businesses (including poor harvests impacting the quality of the peas grown), changes in national and world economic conditions, including as a result of COVID-19 or the outbreak of hostilities or war, tariffs and our ability to forecast our ingredient requirements. The high-quality ingredients used in many of our products are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Adverse weather conditions and natural disasters can lower crop yields and reduce crop size and quality, which in turn could reduce the available supply of, or increase the price of, quality ingredients. In addition, we purchase some ingredients and other materials offshore, and the price and availability of such ingredients and materials may be affected by political events or other conditions in these countries or tariffs, trade wars or the outbreak of hostilities or war. We also compete with other food producers in the procurement of ingredients, and this competition may

increase in the future if consumer demand for plant-based meat products increases. If supplies of quality ingredients are reduced or there is greater demand for such ingredients from us and others, we may not be able to obtain sufficient supply that meets our strict quality standards on favorable terms, or at all, which could impact our ability to supply products and may adversely affect our business, results of operations and financial condition.

***We rely on a limited number of distributors, and if we experience the loss of one or more distributors and cannot replace them in a timely manner, our results of operations may be adversely affected.***

Many retailers and foodservice providers purchase our products through distributors who purchase, store, sell, and deliver our products to such retailers and foodservice providers. For 2022, DOT accounted for 12% of our gross revenues. For 2021, DOT and Zandbergen WFM accounted for approximately 12% and 11% of our gross revenues, respectively. Since these distributors act as intermediaries between us and the retailers and foodservice providers, we do not have short-term or long-term commitments or minimum purchase volumes in our contracts with them that ensure future sales of our products. If we lose one or more of our distributors and cannot replace the distributor in a timely manner or at all, our business, results of operation and financial condition may be materially adversely affected.

***If we fail to cost-effectively acquire new customers or retain our existing customers, or if we fail to derive revenue from our existing customers consistent with our historical performance, our business could be materially adversely affected.***

Our success, and our ability to increase revenues and operate profitably, depends in part on our ability to cost-effectively acquire new customers, to retain existing customers, and to keep existing customers engaged so that they continue to purchase products from us. We intend to continue to expand our number of foodservice customers, both in the United States and internationally, as part of our growth strategy. This may require us to provide marketing and other financial incentives to our customers to assist in the promotion of our products. Such additional incentives could have a negative impact on gross margin and may not necessarily result in increased sales. In addition, new national foodservice customers will often initially add certain of our product offerings to their menus at limited locations and/or on a limited test basis, after which time these customers may choose to no longer offer our products or may ultimately scale back subsequent expansions. If we fail to attract and retain new foodservice customers, or retain our existing foodservice customers, our business, financial condition and results of operations could be materially adversely affected. In addition, timing of retail shelf resets are not within our control, and to the extent that retail customers change the timing of such events, reduce our in store-displays or are not able to restock our products effectively, sales of our products may be impaired and negatively impact our revenues.

Further, if customers do not perceive our product offerings to be of sufficient value and quality, or if we fail to offer new and relevant product offerings at a competitive price, we may not be able to attract or retain customers or engage existing customers so that they continue to purchase products from us. We may lose customers to our competitors if they offer superior products to ours, if we are unable to compete on the basis of value and taste, if we are unable to meet customers' orders in a timely manner, or if we are unable to identify and execute cost-down initiatives intended to achieve price parity with animal protein. The loss of any large customer or the reduction of purchasing levels or the cancellation of business from such customers could have a material adverse impact on our business.

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

Supermarkets in North America and the European Union continue to consolidate. This consolidation has produced larger, more sophisticated organizations with increased negotiating and buying power that are able to resist price increases, as well as operate with lower inventories, decrease the number of brands that they carry and increase their emphasis on private label products, all of which could negatively impact our business. The consolidation of retail customers also increases the risk that a significant adverse impact on their business could have a corresponding material adverse impact on our business.

The loss of any large customer, the reduction of purchasing levels or the cancellation of any business from a large customer for an extended length of time could negatively impact our sales and profitability. For example, in 2022, the year-over-year decrease in our U.S. foodservice channel net revenues was driven primarily by sales to a large QSR customer in the year-ago period that did not repeat in the fourth quarter of 2022.

Furthermore, as retailers consolidate, they may reduce the number of branded products they offer in order to accommodate private label products and generate more competitive terms from branded suppliers competing for limited retailer shelf space. Consequently, our financial results may fluctuate significantly from period to period based on the actions of one or more significant retailers. A retailer may take actions that affect us for reasons that we cannot always anticipate or control, such as their financial condition, changes in their business strategy or operations, the introduction of competing products, pricing and promotions, shelf reset timing and activity, reduced in-store displays, timing of product restocking or the perceived quality of our products. Despite operating in different channels, our retailers sometimes compete for the same consumers as our foodservice channel. Because of actual or perceived conflicts resulting from this competition, retailers may take actions that negatively affect us.

***Loss of one or more of our co-manufacturers or our failure to timely identify and establish relationships with new co-manufacturers could harm our business and impede our growth.***

A significant amount of our revenue is derived from products manufactured at manufacturing facilities owned and operated by our co-manufacturers, a portion of which are located internationally. Any of the co-manufacturers with whom we do not have a written contract could seek to alter or terminate its relationship with us at any time, leaving us with periods during which we have limited or no ability to manufacture our products. If we need to replace a co-manufacturer, there can be no assurance that additional capacity will be available when required on acceptable terms, or at all.

An interruption in, or the loss of operations at, one or more of our co-manufacturing facilities, which may be caused by work stoppages, labor shortages, strikes or other labor unrest, production disruptions, product quality issues, local economic and political conditions, restrictive governmental actions, border closures, disease outbreaks or pandemics (such as COVID-19), the outbreak of hostilities, acts of war, terrorism, fire, earthquakes, severe weather, flooding or other natural disasters at one or more of these facilities, could delay, postpone or reduce production of some of our products, which could have a material adverse effect on our business, results of operations and financial condition until such time as such interruption is resolved or an alternate source of production is secured.

We believe there are a limited number of competent, high-quality co-manufacturers in the industry that meet our strict quality and control standards, and as we seek to continue to obtain additional or alternative co-manufacturing arrangements in the future, there can be no assurance that we would be able to do so on satisfactory terms, in a timely manner, or at all. Additionally, as we expand our operations internationally, we will need to develop relationships with co-manufacturers overseas to meet sales demand, and there can be no assurance that we will be able to successfully do so. Therefore, the loss of one or more co-manufacturers, any disruption or delay at a co-manufacturer or any failure to identify and engage co-manufacturers for new products, product extensions and expanded operations could delay, postpone or reduce production of our products, which could have a material adverse effect on our business, results of operations and financial condition.

***Any damage or disruption at our domestic or international manufacturing facilities may harm our business.***

We have manufacturing facilities in the United States, China and the Netherlands to produce our woven proteins and our finished goods. A natural disaster, severe weather, fire, power interruption, work stoppage, labor shortages, strikes or other labor unrest, border closures, restrictive governmental actions, outbreaks of pandemics or contagious diseases (such as COVID-19) or other calamity at any of these facilities would significantly disrupt our ability to deliver our products and operate our business. If any material amount of our machinery or inventory were damaged, we would be unable to meet our contractual obligations and cannot



predict when, if at all, we could replace or repair such machinery, which could materially adversely affect our business, financial condition and operating results.

***Our business could be adversely affected by a workplace accident or safety incident.***

Our manufacturing processes and related activities could expose us to significant personal injury claims that could subject us to substantial liability. Specifically, our inability to anticipate or preempt potential workplace hazards, create safe working environments or timely adapt to changing requirements around maintaining a safe workplace could result in employee illness, accidents or other safety incidents. A failure to properly train our employees regarding, or respond appropriately and in a timely manner to, any such illness, accident or safety incident could have a material adverse effect on our business, financial condition, results of operation and reputation. While we maintain liability insurance in amounts and of the type generally consistent with industry practice, the amount of such coverage may not be adequate to cover fully all claims, and we may be forced to bear substantial losses from an accident or safety incident resulting from our manufacturing activities.

***We may not successfully ramp up operations at our facilities or these facilities may not operate in accordance with our expectations. Moreover, we face competition for employees and may be unable to hire and retain employees at these facilities.***

Since June 2018, we have acquired facilities by purchase or lease in the United States, China and the Netherlands. Any substantial delay in bringing these facilities up to full production on our current schedule may hinder our ability to produce all of the product needed to meet orders and/or achieve our expected financial performance. Opening these facilities has required, and will continue to require, additional capital expenditures and the efforts and attention of our management and other personnel, which has and will continue to divert resources from our existing business or operations. These efforts may prove more expensive than we anticipate, and we may not succeed in increasing our revenues and margins sufficiently to offset the anticipated higher expenses. Additionally, our inability to hire and retain skilled employees at these facilities will severely hamper our expansion plans, product development and manufacturing efforts. The unemployment rate in the Columbia, Missouri market was 2.8% as of December 2022 and labor market conditions remain relatively tight. As a result, we currently rely on temporary workers in addition to full-time employees, and in the future, we may be unable to attract and retain employees with the skills we require, which could impact our ability to expand our operations. Even if our facilities are brought up to full production according to our current schedule, it may not provide us with all of the operational and financial benefits we expect to receive.

Our facilities and the manufacturing equipment we use to produce our products is costly to replace or repair and may require substantial lead-time to do so. For example, our estimate of throughput or our extrusion capacity may be impacted by disruption from extruder lead-in time, calibration, maintenance and unexpected delays. In addition, our ability to procure new extruders may face more lengthy lead times than is typical. We may also not be able to find suitable alternatives with co-manufacturers to replace the output from such equipment on a timely basis and at a reasonable cost. In the future, we may also experience plant shutdowns or periods of reduced production because of regulatory issues, equipment failure, delays in raw material deliveries or other adverse events. Any such disruption or unanticipated event may cause significant interruptions or delays in our business and the reduction or loss of inventory may render us unable to fulfill customer orders in a timely manner, or at all. We have property and business disruption insurance in place for all of our manufacturing facilities; however, such insurance coverage may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all.

***We may face difficulties as we expand our operations in other countries, including into those in which we have no prior operating experience.***

We intend to continue to expand our global footprint and enter into new markets. International operations involve a number of risks, including labor shortages, strikes or other labor unrest, border closures, restrictive governmental actions, foreign regulatory compliance, tariffs, taxes and exchange controls, economic downturns, inflation, foreign currency fluctuations and political and social instability in the countries in which we operate. Expansion may involve expanding into countries other than those in which we currently operate. It may also involve expanding into less developed countries, which may have less political, social or economic stability and less developed infrastructure and legal systems. In addition, it may be difficult for us to understand and accurately predict taste preferences and purchasing habits of consumers in these new geographic markets. It is costly to establish, develop and maintain international operations and develop and promote our brands in international markets. As we expand our business into other countries, we may encounter regulatory, legal, personnel, technological and other difficulties that increase our expenses and/or delay our ability to become profitable in such countries, which may have a material adverse effect on our business and brand.

***Our revenue growth rate has fluctuated in recent periods and may continue to slow or decline in the future.***

We experienced significant revenue growth in prior periods. However, our revenue growth and revenues have slowed or declined, with periods of negative growth, and may continue to slow or decline in future periods due to a number of potential factors, including without limitation, macroeconomic issues including inflation and rising interest rates, increasing concerns about the likelihood of a recession, and potential impacts on consumer and customer behavior, and demand levels, increasing competition, market saturation, slowing demand for our offerings, increasing regulatory costs and challenges, failure to capitalize on growth opportunities and the long-term effects of the COVID-19 pandemic.

***Our revenues and earnings may fluctuate as a result of our promotional activities.***

We routinely offer sales discounts and promotions through various programs to customers and consumers which may result in reduced margins. 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 and in response to changing consumer behavior and increased competition. We expect to face increasing competition across all channels, especially as additional plant-based meat 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 profit, gross margin and profitability, impacting period-over-period results.

***Fluctuations in our results of operations for our second and third quarters may impact, and may have a disproportionate effect on our overall financial condition and results of operations.***

Our business is subject to seasonal fluctuations that may have a disproportionate effect on our results of operations. Generally, we expect to experience greater demand for certain of our products during the summer grilling season. 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. Any factors that harm our second and third quarter operating results, including disruptions in our supply chain, adverse weather or unfavorable economic conditions, may have a disproportionate effect on our results of operations for the entire year. In an environment of recessionary and inflationary pressures, general softness in the plant-based category, competition and other factors impacting our business, including uncertainty around the long-term impacts of COVID-19, we are unable to assess the ultimate impact on the demand for our products as a result of seasonality.

***Historical results are not indicative of future results.***

Historical quarter-to-quarter and period-over-period comparisons of our sales and operating results are not necessarily indicative of future quarter-to-quarter and period-over-period results. You should not rely on the results of a single quarter or period as an indication of our annual results or our future performance.

***Failure by our transportation providers to deliver our products on time, or at all, could result in lost sales.***

We currently rely upon third-party transportation providers for a significant portion of our product shipments. Our utilization of delivery services for shipments is subject to risks, including increases in fuel prices, which would increase our shipping costs, employee strikes, disease outbreaks or pandemics (such as COVID-19) and inclement weather, which may impact the ability of providers to provide delivery services that adequately meet our shipping needs, if at all. We periodically change shipping companies, and we could face logistical difficulties that could adversely affect deliveries. In addition, we could incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favorable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results.

***We have undergone, and may continue to experience, changes to our executive leadership team and senior management, and if we are unable to integrate new members of our executive leadership team or senior management, or if we fail to retain members of our executive leadership team and senior management, our business and operations may be adversely affected.***

Our success is substantially dependent on the continued service of certain members of our senior management, including Ethan Brown, our Founder, President and Chief Executive Officer. These executives have been primarily responsible for determining the strategic direction of our business and for executing our growth strategy and are integral to our brand, culture and the reputation we enjoy with suppliers, co-manufacturers, distributors, customers and consumers. The loss of the services of any of these executives could have a material adverse effect on our business and prospects, as we may not be able to find suitable individuals to replace them on a timely basis, if at all. In addition, any such departure could be viewed in a negative light by investors and analysts, which may cause the price of our common stock to decline. We do not currently carry key-person life insurance for our senior executives.

From time to time, there may be changes in our executive leadership team and senior management as a result of the hiring, departure or realignment of key personnel, and such changes may impact our business. In 2021 and 2022, we have had several changes to our executive leadership team and senior management, including as a result of organizational changes based on cost-reduction initiatives. Any significant leadership change or senior management transition involves inherent risk and any failure to ensure the timely and suitable replacement and a smooth transition could hinder our strategic planning, business execution and future performance. In particular, these or any future leadership transitions may result in a loss of personnel with deep institutional or technical knowledge and changes in business strategy or objectives and have the potential to disrupt our operations and relationships with employees and customers due to added costs, operational inefficiencies, changes in strategy, decreased employee morale and productivity, and increased turnover. If we are unable to successfully integrate new executive leadership team members and senior management, our operations may be adversely affected and we may not be able to achieve our operating objectives.

***If we are unable to attract, train and retain employees or maintain our company culture, we may not be able to grow or successfully operate our business.***

Our success depends in part upon our ability to attract, train and retain a sufficient number of employees who understand and appreciate our culture and can represent our brand effectively and establish credibility with our business partners and consumers. We believe a critical component of our success has been our company culture and long-standing core values. We have invested substantial time and resources in building our team. If we are unable to hire and retain employees capable of meeting our business needs and expectations, or if we

fail to preserve our company culture among a larger number of employees dispersed in various geographic regions, our business and brand image may be impaired. Any failure to meet our staffing needs or any material increase in turnover rates of our employees or key personnel changes may adversely affect our business, results of operations and financial condition.

Furthermore, in 2022, we implemented two reductions in force, which together impacted 19% of our global workforce. Although we believe these reductions will be an important part of the success of our cost-reduction initiatives, they may adversely affect employee morale, our culture and our ability to attract and retain critical employees. They may also negatively impact our ability to pursue new initiatives due to insufficient resources and personnel. We may be unsuccessful in distributing duties and obligations of impacted employees among the remaining employees. We also may not realize the anticipated benefits and cost savings and may suffer unintended consequences, such as the loss of institutional knowledge, higher than expected employee turnover and significant disruptions in our day-to-day operations. If we are unable to realize the expected operational efficiencies or cost savings from the reductions in force, or if we experience significant adverse consequences as a result, our business, financial conditions and results of operations may be adversely affected.

***Some of our international employees are employed by professional employer organizations.***

Prior to January 1, 2022, we contracted with a professional employer organization, or U.S. PEO, that administered our human resources, payroll and employee benefits functions for our employees in the United States. Effective as of January 1, 2022, such human resources, payroll and employee benefits functions are no longer performed by the U.S. PEO. We continue to contract with non-U.S. PEOs to perform the same functions as the U.S. PEO for the majority of our employees outside the United States. Although we recruit and select our workers, each of these workers is also an employee of record of the relevant non-U.S. PEO. As a result, these workers are compensated through the relevant PEO, are governed by the work policies created by the relevant PEO and receive their annual wage statements and other payroll or labor related reports from the relevant PEO (e.g., T-4s for employees in Canada). This relationship permits management to focus on operations and profitability rather than payroll administration, but this relationship also exposes us to some risks. Among other risks, if any of the non-U.S. PEOs fail to adequately withhold or pay employer taxes or to comply with applicable laws, we may be held liable for such violations notwithstanding any indemnification provisions with the non-U.S. PEOs. In certain non-U.S. jurisdictions, the worker may be deemed a direct employee and the potential liability for any non-compliance with applicable laws increases depending on whether a company has an entity or other corporate presence in the country, among other factors set forth under applicable local laws.

Court and administrative proceedings related to matters of employment tax, labor law and other laws applicable to PEO arrangements could distract management from our business and cause us to incur significant expense. If we were held liable for violations by PEOs, such amounts may adversely affect our profitability and could negatively affect our business and results of operations.

***We depend on a limited number of third party service providers for the performance of several of our business operations, including payroll and human capital management services.***

If any of these third party providers were to experience significant interruptions in their business operations, terminate their agreements with the company, or fail to perform the services required under the terms of the company's contracts with them, its own processing could be materially and adversely affected for an indefinite period of time. There can be no assurance that the company would be able to locate alternative providers of such services, or that it could do so at economical rates.

***Future acquisitions or investments could disrupt our business and harm our financial condition.***

In the future, we may pursue acquisitions or investments that we believe will help us achieve our strategic objectives. We may not be able to find suitable acquisition candidates, and even if we do, we may not be able to complete acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately achieve our goals or realize the anticipated benefits. The pursuit of acquisitions and any integration process will require significant time and resources and could divert management time and focus from operation of our then-existing

business, and we may not be able to manage the process successfully. Any acquisitions we complete could be viewed negatively by our customers or consumers. An acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations and subjecting us to additional liabilities, increasing our expenses, and adversely impacting our business, financial condition and operating results. Moreover, we may be exposed to unknown liabilities related to the acquired company or product, and the anticipated benefits of any acquisition, investment or business relationship may not be realized if, for example, we fail to successfully integrate such acquisition into our company. To pay for any such acquisitions, we would have to use cash, incur debt, or issue debt or equity securities, each of which may affect our financial condition or the value of our common stock and could result in dilution to our stockholders. If we incur more debt it would result in increased fixed obligations and could also subject us to covenants or other restrictions that would impede our ability to manage our operations. Our acquisition strategy could require significant management attention, disrupt our business and harm our business, financial condition and results of operations.

***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 a variety of stakeholders on corporate ESG practices, including climate change and related ESG disclosure requirements. Expectations regarding voluntary ESG initiatives and disclosures may result in increased costs (including but not limited to increased costs related to compliance, stakeholder engagement, contracting and insurance), changes in demand for certain products, enhanced compliance or disclosure obligations, or other adverse impacts to our business, financial condition, or results of operations.

While we may at times engage in voluntary initiatives (such as voluntary disclosures, certifications, or goals, among others) to improve the ESG profile of our company and/or products, such initiatives or achievements of such commitments may be costly and may not have the desired effect. Expectations around the Company's management of ESG matters continues to evolve rapidly, in many instances due to factors that are out of our control. For example, we may not ultimately be able to complete certain goals or initiatives, either on the timelines originally anticipated or at all, due to technical, cost, or other factors, which may be in or out of our control. Moreover, actions or statements that we may take based on expectations, assumptions, or third-party information that we currently believe to be reasonable may subsequently be determined to be erroneous or be subject to misinterpretation. Even if this is not the case, our current actions may subsequently be determined to be insufficient by various stakeholders, and we may be subject to investor or regulator engagement on our ESG initiatives and disclosures, even if such initiatives are currently voluntary.

Certain market participants, including stockholders and other capital providers, 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. 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. 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 also expand the nature, scope and complexity of matters that we are required to control, assess and report. For example, to the extent ESG matters negatively impact our reputation, it may also impede our ability to compete as effectively to attract and retain employees, customers, or business partners, which may adversely impact our operations. We may be especially subject to scrutiny on such matters given efforts to portray our operations and products as a more sustainable and conscientious alternative to certain competitor products. As another example, the SEC has proposed rules that would require companies to provide significantly expanded climate-related disclosures in their periodic reporting, which may require us to incur significant additional costs to comply, including the implementation of significant additional internal controls processes and procedures regarding matters that have not been subject to such controls in the past, and impose increased oversight obligations on our management

and board of directors. These and other regulations, disclosure-related and otherwise, may increase our costs as well as increase scrutiny regarding our ESG efforts, which may enhance the risks discussed in this risk factor. 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 and access to/cost of capital could be materially and adversely affected. Additionally, many of our customers and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us.

***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 Products**

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

Selling food for human consumption involves inherent legal and other risks, and there is increasing governmental scrutiny of and public awareness regarding food safety. Unexpected side effects, illness, injury or death related to allergens, food-borne illnesses or other food safety incidents caused by products we sell, or involving our suppliers or co-manufacturers, could result in the discontinuance of sales of these products or our relationships with such suppliers or co-manufacturers, or otherwise result in increased operating costs, regulatory enforcement actions or harm to our reputation. Shipment of adulterated or misbranded products, even if inadvertent, can result in criminal or civil liability. Such incidents could also expose us to product liability, negligence or other lawsuits, including consumer class action lawsuits. Any claims brought against us may exceed or be outside the scope of our existing or future insurance policy coverage or limits. Any judgment against us that is more than our policy limits or not covered by our policies or not subject to insurance would have to be paid from our cash reserves, which would reduce our capital resources.

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

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

products and the imposition of civil or criminal sanctions, which could materially adversely affect our business, financial condition and operating results.

***Consumer preferences for our products are difficult to predict and may change, and, if we are unable to respond quickly to new trends and demands, our business may be adversely affected.***

Our business is focused on the development, manufacture, marketing and distribution of a line of branded plant-based meat products as alternatives to animal-based protein products. Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for our products decreased, our business and financial condition would suffer. In addition, sales of plant-based meat or meat-alternative products are subject to evolving consumer preferences that we may not be able to accurately predict or respond to. Consumer trends that we believe favor sales of our products could change based on a number of possible factors, including a shift in preference from plant-based meat to animal-based protein products (including any products produced using new farming methods or technologies which may reduce the adverse environmental and other factors associated with conventional animal-based protein products), increased acceptance for different alternative proteins that are used in our products, economic factors and social trends. A significant shift in consumer demand away from our products could reduce our sales or our market share and the prestige of our brand, which would harm our business and financial condition.

Additionally, lobbyists supporting the meat industry have engaged in marketing campaigns in an attempt to generate negative publicity regarding our products and may continue to do so in the future. Any shift in consumer perception that our products are not healthy as a result of these campaigns could significantly reduce the value of our brand and damage our business. Other types of adverse publicity concerning our business or the plant-based meat industry generally could also harm our brand, reputation and results of operations. The growing use of social and digital media over recent years has amplified the impact of such negative publicity.

***Sales of the Beyond Burger contribute a significant portion of our revenue. A reduction in sales of Beyond Burger would have an adverse effect on our financial condition.***

Beyond Burger accounted for approximately 50%, 55% and 58% of our gross revenues in 2022, 2021 and 2020, respectively. The Beyond Burger is our flagship product and has historically been the focal point of our development and marketing efforts, and we believe that sales of the Beyond Burger will continue to constitute a significant portion of our revenues, income and cash flow for the foreseeable future. We cannot be certain that we will be able to continue to expand production and distribution of the Beyond Burger, or that customer demand for our other existing and future products will expand to allow such products to represent a larger percentage of our revenue than they do currently. Accordingly, any factor adversely affecting sales of the Beyond Burger could have a material adverse effect on our business, financial condition and results of operations.

***Failure to continually innovate and successfully introduce and commercialize new products or successfully improve existing products may adversely affect our ability to continue to grow.***

A key element of our long-term growth strategy depends on our ability to develop and market new products and improvements to our existing products that meet our standards for quality and appeal to consumer preferences. The success of our innovation and product development efforts is affected by our ability to anticipate changes in consumer preferences, accurately predict taste preferences and purchasing habits of consumers in new geographic markets, the technical capability of our innovation staff in developing and testing product prototypes, including complying with applicable governmental regulations, commercialization and scale-up of new products, and the success of our management and sales and marketing teams in introducing and marketing new products. Our innovation staff members are continuously testing alternative plant-based proteins to the proteins we currently use in our products, as they seek to find additional protein options to our current ingredients that are more easily sourced, and which retain and build upon the quality and appeal of our current product offerings. Failure to develop, commercialize and market new products that appeal to consumers may lead to a decrease in our growth, sales and profitability.

Additionally, the development and introduction of new products requires substantial research, development and marketing expenditures, which we may be unable to recoup if the new products do not gain widespread market acceptance. If we are unsuccessful in meeting our objectives with respect to new or improved products, our business could be harmed.

***Ingredient and packaging costs are volatile and may rise significantly, which may negatively impact the profitability of our business.***

We purchase large quantities of raw materials, including ingredients derived from Canadian, European and North American yellow peas, mung beans, sunflower seeds, rice, faba beans, canola oil and coconut oil. In addition, we purchase and use significant quantities of cardboard, film and plastic to package our products. Costs of ingredients and packaging are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand and changes in governmental trade and agricultural programs. Volatility in the prices of raw materials and other supplies we purchase could increase our cost of sales and reduce our profitability. Moreover, we may not be able to implement price increases for our products to cover any increased costs, and any price increases we do implement may result in lower sales volumes. If we are not successful in managing our ingredient and packaging costs, if we are unable to increase our prices to cover increased costs or if such price increases reduce our sales volumes, then such increases in costs will adversely affect our business, results of operations and financial condition.

#### **Risks Related to Our Industry and Brand**

***We face intense competition in our market from our competitors, including manufacturers of animal-based meat products and other brands that produce plant-based meat products, and potential competitors and new market entrants and we may lack sufficient financial or other resources to compete successfully.***

Our future success depends, in large part, on our ability to implement our long-term growth strategy of expanding supply and distribution, improving placement of our products, attracting new consumers to our brand and introducing new products and product extensions, and expanding into new geographic markets. If we fail to implement this growth strategy or if we invest resources in a growth strategy that ultimately proves unsuccessful, our sales and operating results will be adversely affected. Our ability to implement this growth strategy depends, among other things, on our ability to:

- manage relationships with various suppliers, co-manufacturers, distributors, customers and other third parties, and expend time and effort to integrate new suppliers, co-manufacturers, distributors and customers into our fulfillment operations;
- continue to compete in retail and foodservice channels;
- secure placement in the meat case for our products;
- increase our brand recognition and expand and maintain brand loyalty;
- develop new product lines and extensions; and
- expand into new geographic markets.

Our ability to implement our long-term growth strategy also depends on our ability to continue to compete in the retail and foodservice channels. We operate in a highly competitive environment. Numerous brands and products compete for limited retailer shelf space, foodservice customers and consumers. In our market, competition is based on, among other things, taste, nutritional profile, ingredients, texture, ease of integration into the consumer diet, low-carbohydrate, low-sugar, high fiber and protein, lack of cholesterol, soy, gluten and GMOs, convenience, price and promotion tactics, brand awareness and loyalty among customers, media spending, product variety and packaging, access to major retailer shelf space and retail locations, access to



major foodservice outlets and integration into menus, innovation and intellectual property protection on products.

In response to increased competition, as well as the COVID-19 pandemic, we have recently been providing heavier discounting 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 may continue to have, a negative impact on our net revenues, gross profit, gross margin and profitability, impacting period-over-period results.

We compete with conventional animal-protein companies such as Cargill, Hormel, JBS, Perdue Foods, Tyson and WH Group, who may have substantially greater financial and other resources than us and whose animal-based products are well-accepted in the marketplace today. They may also have lower operational costs, and as a result may be able to offer conventional animal meat to customers at lower costs than plant-based meat. This could cause us to lower our prices, resulting in lower profitability or, in the alternative, cause us to lose market share if we fail to lower prices.

We also compete with other food brands, including brands affiliated with conventional animal-protein companies and other large food operators, that develop and sell plant-based meat products, including, but not limited to, Alpha Foods, Boca Foods (Kraft Heinz), Lightlife and Field Roast Grain Meat Co. (Maple Leaf Foods), Gardein (Conagra), Hungry Planet, Inc., Impossible Foods, Incogmeato/Morningstar Farms (Kellogg), Moving Mountains, Omn!pork (OmniFoods), Tofurky, Sweet Earth and Awesome Burger (Nestle' S.A.), Pure Farmland by Smithfield Foods (WH Group), Raised & Rooted (Tyson), Happy Little Plants (Hormel), Sysco's Simply Plant-Based Meatless Burger, Tattooed Chef, The Not Company and Vegetarian Butcher (Unilever), and with companies which may be more innovative, have more resources and be able to bring new products to market faster and to more quickly exploit and serve niche markets. For example, a number of U.S. and international companies are working on developing lab-grown or "clean meat," an animal-protein product cultivated from cells taken from animals, which could have a similar appeal to consumers as plant-based meat products. We compete with these competitors for foodservice customers, retailer shelf space and consumers.

Generally, the food industry is dominated by multinational corporations with substantially greater resources and operations than us. We cannot be certain that we will successfully compete with larger competitors that have greater financial, sales and technical resources or with new competitors and market entrants. Conventional food companies may acquire our competitors or launch their own plant-based meat products, and they may be able to use their resources and scale to respond to competitive pressures and changes in consumer preferences by introducing new products, reducing prices or increasing promotional activities, among other things. Retailers also market competitive products under their own private labels, which are generally sold at lower prices and compete with some of our products. Similarly, retailers could change the merchandising of our products and we may be unable to retain the placement of our products in meat cases to effectively compete with animal-protein products. Competitive pressures, new competitors and market entrants or other factors could cause us to lose market share, which may require us to lower prices, increase marketing and advertising expenditures, or increase the use of discounting or promotional campaigns, each of which would adversely affect our margins and could result in a decrease in our operating results and profitability.

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

We believe our consumers rely on us to provide them with high-quality plant-based meat products. Therefore, real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us (such as incidents involving our competitors), could cause negative publicity and reduced confidence in our company, brand or products, or the industry as a whole, which could in turn harm our reputation and sales, and could materially adversely affect our business, financial condition and operating results. Although we believe we have a rigorous quality control process, there can be no assurance that our products will always comply with the standards set for our products, and although we strive to keep our products free of pathogenic organisms, they may not be easily detected and cross-contamination can occur. For example, in 2017, before our products were

shipped to distributors or customers, we discovered, through our quality control process, that certain of our products manufactured by a former co-manufacturer were contaminated with salmonella. There is no assurance that this health risk will always be preempted by our quality control processes.

We have no control over our products once purchased by consumers. Accordingly, consumers may prepare our products in a manner that is inconsistent with our directions or store our products for long periods of time, which may adversely affect the quality and safety of our products. If consumers do not perceive our products to be safe or of high quality, then the value of our brand would be diminished, and our business, results of operations and financial condition would be adversely affected.

Any loss of confidence on the part of consumers in the ingredients used in our products or in the safety and quality of our products would be difficult and costly to overcome. Any such adverse effect could be exacerbated by our position in the market as a purveyor of high-quality plant-based meat products and may significantly reduce our brand value. Issues regarding the safety of any of our products, regardless of the cause, may have a substantial and adverse effect on our brand, reputation and operating results.

The growing use of social and digital media by us, our consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about us, our brands or our products on social or digital media could seriously damage our brands and reputation. If we do not maintain the favorable perception of our brands, our sales and profits could be negatively impacted.

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

We have developed a strong and trusted brand that has contributed significantly to the success of our business, and we believe our continued success depends on our ability to maintain and grow the value of the Beyond Meat brand. Maintaining, promoting and positioning our brand and reputation will depend on, among other factors, the success of our plant-based product offerings, food safety, quality assurance, marketing and merchandising efforts, the nutritional benefits provided by our products and our ability to provide a consistent, high-quality customer experience. Any negative publicity, regardless of its accuracy, could materially adversely affect our business, results of operation and reputation. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of our customers, suppliers or co-manufacturers, including adverse publicity, negative media or a governmental investigation or litigation, could significantly reduce the value of our brand and significantly damage our business.

**Risks Related to Our International Operations**

***Our international expansion into China and Europe could expose us to substantial business, regulatory, political, financial and economic risks.***

Our expansion into China and Europe could expose us to substantial risks associated with doing business in China and Europe, such as risks associated with taxation, inflation, environmental regulations, foreign currency exchange rates, the labor market, property and financial regulations, the COVID-19 pandemic or other public health crises, and the outbreak of hostilities or war. Our ability to operate in China and Europe may be adversely affected by changes in, or our failure to comply with, Chinese or European laws and regulations. In addition, we are exposed to risks associated with our workforce in China and the Netherlands, including with respect to changes in employment and labor laws, which could increase our operating costs. The departure of the United Kingdom from the European Union (commonly known as “Brexit”) on January 31, 2020 has created uncertainties affecting business operations in the U.K., EU and a number of other countries, which could increase volatility in exchange rates, market instability, costs and other risks. There is also significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs.

***Fluctuations in currency exchange rates could negatively impact our earnings.***

A portion of our international business is conducted in currencies other than the U.S. dollar, and therefore changes in foreign exchange rates relative to the U.S. dollar have in the past, and may in the future, affect the

value of our non-U.S. dollar net assets, revenues and expenses. Although we closely monitor potential exposures as a result of these fluctuations in currencies, and where cost-justified we adopt strategies that are designed to reduce the impact of these fluctuations on our financial performance, there can be no assurance that we will be successful in managing our foreign exchange risk. Our exposure to currency exchange rate fluctuations will grow if the relative contribution of our operations outside the United States increases. Any material fluctuations in currencies could have a material effect on our financial condition, results of operations and cash flows.

***Our international operations are subject to the FCPA and we could be adversely affected by violations of the FCPA and similar worldwide anti-corruption laws.***

The FCPA and similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making certain improper payments for the purpose of obtaining or retaining business. The continued expansion of our international operations could increase the risk of violations of these laws in the future. There is no assurance that we will be completely effective in ensuring our compliance with the FCPA or any other applicable anti-corruption laws. If we are not in compliance with the FCPA and other anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of the FCPA or other anti-corruption laws or trade control laws by the United States could also have an adverse impact on our reputation, our business, results of operations and financial condition.

#### **Risks Related to Our Investments**

***Our manufacturing operations in China and Europe require substantial investments, for which we cannot guarantee forecasted returns.***

In 2020, we entered into an investment agreement and related factory leasing contract to design and develop manufacturing facilities in the Jiaying Economic & Technological Development Zone to manufacture plant-based meat products under the Beyond Meat brand in China and in the fourth quarter of 2021, we leased an approximately 12,000 square foot facility in Shanghai, which is used as a local research and development facility to support our local manufacturing operations. In the second quarter of 2020, we acquired our first manufacturing facility in Europe located in Enschede, the Netherlands. Our substantial investment in China and Europe may expose us to substantial risks and, as a result, we may not realize a return on our investment. Unforeseen delays in the operations of our Chinese or European manufacturing facilities may cause us to incur additional expenses. Operating these facilities may require additional capital expenditures and the efforts and attention of our management and other personnel, which will divert resources from our existing business or operations. Although our Chinese and European facilities are fully operational as of December 31, 2022, they may not provide us with all of the operational and financial benefits we expect to receive. These and other risks may result in our not realizing a return on, or losing some or all, of our planned investments in China and Europe, which could have a material adverse effect on our financial condition and financial performance.

***Our ownership of real property is subject to all the risks inherent in an investment in real estate.***

We have direct ownership of certain real estate properties. As is the case with any owner of real property, we are subject to potential liabilities, cost and damages arising out of owning, operating, leasing or otherwise having interests in real property. There are risks that a property may have unforeseen environmental or other hazards resulting in unexpected costs. In addition, we may not be able to expand or operate our owned facilities in the manner we desire, which could adversely impact our production and facility utilization.

***Joint ventures may not operate according to their business plans if our partners fail to fulfill their obligations, which may adversely affect our results of operations and compel us to dedicate additional resources to these joint ventures.***

The nature of a joint venture requires us to share control in certain areas with unaffiliated third parties. If our joint venture partner does not fulfill its obligations, the affected joint venture may not be able to operate in

accordance with its business plan. Under such a scenario, our results of operations may be adversely affected and we may be compelled to increase the level of our resources devoted to the joint venture. Also, differing views among joint venture participants may result in delayed decisions, or failure to agree on major issues. If such differences caused a joint venture to deviate from its business plan, our results of operations could be adversely affected.

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

##### ***We may not be able to protect our proprietary technology adequately, which may impact our commercial success.***

Our commercial success depends in part on our ability to protect our intellectual property and proprietary technologies. We rely on a combination of patent protection, where appropriate and available, copyrights, trade secrets and trademark laws, as well as confidentiality and other contractual restrictions to protect our proprietary technology. However, these legal means afford only limited protection and may not adequately protect our proprietary technology or permit us to gain or keep any competitive advantage. As of December 31, 2022, we had two issued patents in the United States and seven issued patents outside the United States (U.K., Indonesia, Canada, China, Chile, Israel and Australia), two pending patent applications in the United States, eight pending international patent applications and one provisional patent application.

We cannot offer any assurances about which, if any, patents will issue from these applications, the breadth of any such patents, or whether any issued patents will be found invalid and unenforceable or will be threatened by third parties. Any successful opposition to these patents or any other patents owned by or, if applicable in the future, licensed to us could deprive us of rights necessary for the successful commercialization of products that we may develop. Since patent applications in the United States and most other countries are confidential for a period of time after filing (in most cases 18 months after the filing of the priority application), we cannot be certain that we were the first to file on the technologies covered in several of the patent applications related to our technologies or products. Furthermore, a derivation proceeding can be provoked by a third party, or instituted by the U.S. Patent and Trademark Office, or USPTO, to determine who was the first to invent any of the subject matter covered by the patent claims of our applications.

Patent law can be highly uncertain and involve complex legal and factual questions for which important principles remain unresolved. In the United States and in many international jurisdictions, policy regarding the breadth of claims allowed in patents can be inconsistent and/or unclear. The U.S. Supreme Court and the Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. Similarly, international courts and governments have made, and will continue to make, changes in how the patent laws in their respective countries are interpreted. We cannot predict future changes in the interpretation of patent laws by U.S. and international judicial bodies or changes to patent laws that might be enacted into law by U.S. and international legislative bodies.

##### ***We may not be able to protect our intellectual property adequately, which may harm the value of our brand.***

We believe that our intellectual property has substantial value and has contributed significantly to the success of our business. Our trademarks, including Beyond Meat, Beyond Burger, Beyond Beef, Beyond Sausage, Beyond Breakfast Sausage, Beyond Chicken, Beyond Steak, Beyond Fried Chicken, Beyond Popcorn Chicken, Beyond Meatballs, the Caped Steer Logo, Go Beyond, Eat What You Love, Cookout Classic and The Future of Protein, are valuable assets that reinforce our brand and consumers' favorable perception of our products. We also rely on unpatented proprietary expertise, recipes and formulations and other trade secrets and copyright protection to develop and maintain our competitive position. Our continued success depends, to a significant degree, upon our ability to protect and preserve our intellectual property, including our trademarks, trade dress, trade secrets and copyrights. We rely on confidentiality agreements and trademark, trade secret and copyright law to protect our intellectual property rights.

Our confidentiality agreements with our employees and certain of our consultants, contract workers, suppliers and independent contractors, including some of our co-manufacturers who use our formulations to manufacture our products, generally require that all information made known to them be kept strictly confidential. Nevertheless, trade secrets are difficult to protect. Although we attempt to protect our trade secrets, our confidentiality agreements may not effectively prevent disclosure of our proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information. If we do not keep our trade secrets confidential, others may produce products with our recipes or formulations. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights against such parties. Further, some of our formulations have been developed by or with our suppliers and co-manufacturers. As a result, we may not be able to prevent others from using similar formulations. As we begin to expand globally as part of our long-term growth strategy, we may face additional risks protecting our trade secrets internationally, where the laws may not be as protective of intellectual property rights as those in the United States.

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

Additionally, the laws of certain international jurisdictions in which our products may be sold may not protect intellectual property rights to the same extent as the laws of the United States. As a result, we may not be able to effectively prevent third parties from infringing or otherwise misappropriating our trademark rights in such jurisdictions. Moreover, failure to obtain adequate trademark rights in these foreign jurisdictions could negatively impact our ability to expand our business and launch products in certain international markets. Further, we may not be able to effectively protect our intellectual property rights against unauthorized third parties that obtain the rights to our trademarks in foreign jurisdictions where we have not yet applied for trademark protections, and we may expend substantial cost to obtain those trademarks from such third parties. Any one of these occurrences could reduce our competitive position or otherwise have a material adverse effect on our business, results of operations and financial condition.

***We rely on information technology systems and any inadequacy, failure, interruption or security breaches of those systems may harm our ability to effectively operate our business.***

We are dependent on various information technology systems, including, but not limited to, networks, applications and outsourced services in connection with the operation of our business. A failure of our information technology systems to perform as we anticipate could disrupt our business and result in transaction errors, processing inefficiencies and loss of sales, causing our business to suffer. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including fire, severe weather, natural disasters, systems failures, viruses and security breaches, particularly in light of many of our employees working remotely. Any such damage or interruption could have a material adverse effect on our business.

***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. 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 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, China 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 became effective January 1, 2023, amends and expands the CCPA, including by expanding consumer's rights in their personal information and creating a new governmental agency to interpret and enforce the statute. 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

***If the build out of our new Campus Headquarters is delayed or incurs cost overruns, the headquarters does not operate in accordance with our expectations or occupancy rates are lower than anticipated, our business or financial condition or results of operations may be adversely affected.***

On January 14, 2021, we entered into a lease agreement for an initial term of 12 years to develop and house our new Campus Headquarters. The space is being built out by the landlord, who delivered Phase 1-A of the space, which we currently occupy, to us in the third quarter of 2022. We expect the landlord to deliver to us the remainder of the space by the end of 2023; however, there can be no assurances that the remainder of the space will be ready for occupancy on or before the expected occupancy date due to force majeure events (such as COVID-19) or the risk of delays or cost overruns inherent in construction development projects, any of which could have a negative impact on our financial condition or results of operations. If we are not able to complete development of the Campus Headquarters within the approved budget or there are significant cost overruns, our cash flows, financial condition, or results of operations could be materially and adversely affected.

In addition, it is possible that, once finalized, there could be unanticipated difficulties in initiating operations at the Campus Headquarters, including, but not limited to, IT system interruptions, other infrastructure support problems or the space may prove to be less conducive to our operations than currently anticipated. These risks could all result in operational inefficiencies or similar difficulties that could prove difficult or impossible to remediate and have an adverse impact on our financial condition or results of operations. Moreover, we are uncertain about how the long-term impacts of COVID-19 (for example, a shift in the percentage of our workforce that works remotely) will affect our ability to timely fully occupy the Campus Headquarters once construction is complete, which could have a negative impact on our financial condition or results of operations.

If we are unable to occupy the Campus Headquarters space, we may have to sublease the unoccupied portion of the Campus Headquarters. A sublease agreement would be subject to certain risks and uncertainties, such as the possibility that such agreement may not be completed on terms that are advantageous to us as we may not receive sufficiently high rental rates to cover our lease obligations which could have a negative impact on our financial condition and results of operations.

***We currently have, and will continue to have, significant lease obligations, and our failure to meet those obligations could adversely affect our financial condition and business.***

We currently have, and will continue to have, significant lease obligations for our corporate offices, manufacturing facilities, research and development facilities and warehouses. We depend on cash flow from operations to pay our lease expenses.

If our business does not generate sufficient cash flow from operating activities to fund these expenses, we may not be able to meet our lease obligations, which could have a material adverse effect on our financial condition and business. Furthermore, the significant cash flow required to satisfy our financial obligations under the leases could limit our ability to incur indebtedness and make capital expenditures or other investments in our business.

***Our significant indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under our Notes.***

As of December 31, 2022, we had approximately \$1.3 billion of consolidated indebtedness and other liabilities. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;

- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

In March 2021, we issued \$1.0 billion aggregate principal amount of our 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 (the “Securities Act”). The initial purchasers of the Convertible Notes also exercised their option to purchase an additional \$150.0 million aggregate principal amount of our 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.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our current or future indebtedness, including the Notes, as applicable, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our current or future indebtedness, including the Notes, and our cash needs may increase in the future. In addition, any future indebtedness that we may incur may contain financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full.

***We may be unable to raise the funds necessary to repurchase the Notes for cash following a fundamental change, or to pay the cash amounts due upon conversion, and our future indebtedness may limit our ability to repurchase the Notes or pay cash upon their conversion.***

Holders of the Notes may, subject to a limited exception, require us to repurchase their Notes following a “Fundamental Change” (as defined in the Indenture) at a cash repurchase price generally equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid special and additional interest, if any. In addition, all conversions of Notes will be settled partially or entirely in cash. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase the Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our future indebtedness may restrict our ability to repurchase the Notes or pay the cash amounts due upon conversion. Our failure to repurchase the Notes or to pay the cash amounts due upon conversion when required will constitute a default under the Indenture. A default under the Indenture or the Fundamental Change itself could also lead to a default under agreements governing our future indebtedness, which may result in that indebtedness becoming immediately payable in full. If the repayment of such future indebtedness were to be accelerated after any applicable notice or grace periods, then we may not have sufficient funds to repay that indebtedness and repurchase the Notes or make cash payments upon their conversion.

***The accounting method for the Notes could adversely affect our reported financial condition and results.***

Our 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. The accounting method for reflecting the Notes



on our balance sheet may adversely affect our reported earnings and financial condition. If any of the conditions to the convertibility of the Notes is satisfied or the Notes become due within one year, then we may be required under applicable accounting standards to reclassify the liability carrying value of the Notes as a current, rather than a long-term, liability. This reclassification could be required even if no noteholders convert their Notes and could materially reduce our reported working capital.

We early adopted Accounting Standards Update (“ASU”) No. 2020-06, “Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity” (“ASU 2020-06”), to account for our Notes which eliminates the treasury stock method for convertible instruments that can be settled in whole or in part with equity and instead requires the application of the more dilutive of the “if-converted” method or the two-class method. Under the if-converted method, diluted earnings per share would generally be calculated assuming that all the conversion premium or spread were converted at the beginning of the reporting period, unless the result would be anti-dilutive. The conversion premium or spread would have a dilutive impact on net income per share when the average market price of the Company’s common stock for a given period exceeds the conversion price.

***The capped call transactions may affect the value of the Notes and our common stock.***

In connection with the Notes, we entered into privately negotiated capped call transactions with the option counterparties. The capped call transactions will cover, subject to customary adjustments, the number of shares of common stock that underlie the Notes. The capped call transactions are expected generally to reduce potential dilution to our common stock upon conversion of the Notes or at our election (subject to certain conditions) offset any cash payments we are required to make in excess of the aggregate principal amount of the converted Notes, as the case may be, with such reduction or offset subject to a cap.

We have been advised that, in connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates purchased shares of our common stock and/or entered into various derivative transactions with respect to our common stock.

In addition, we have been advised that the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions following the pricing of the Notes and prior to the maturity of the Notes (and are likely to do so on each exercise date of the capped call transactions, and in connection with any early termination event in respect of the capped call transactions). This activity could also cause or avoid an increase or a decrease in the market price of our common stock.

***Provisions in the indenture governing the Notes could delay or prevent an otherwise beneficial takeover of us.***

Certain provisions in the Notes and the indenture governing the Notes could make a third party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then noteholders will have the right to require us to repurchase their Notes for cash. In addition, if a takeover constitutes a Make-Whole Fundamental Change (as defined in the Indenture), then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under the Notes and the indenture governing the Notes could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that holders of our common stock or Notes may view as favorable.

***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 former Manhattan Beach Project Innovation Center and our Innovation Center within our Campus Headquarters, 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 resources 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 December 31, 2022, we had cash and cash equivalents and restricted cash of \$322.5 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, including strategic collaborations. Such financing may result in dilution to stockholders, reduction in the market price of our common stock, 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;
- our investment in and build out of our Campus Headquarters;
- the expenses associated with our marketing initiatives;
- our investment in manufacturing and facilities 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 or our directors and officers;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- the impact of the COVID-19 pandemic, or any other pandemic, epidemic or other public health crisis;
- 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.

***Our inability to access and employ the cash that collateralizes our outstanding and future letters of credit may impact our liquidity.***

As of December 31, 2022, we had restricted cash of \$12.6 million securing the letter of credit to support the development and leasing of our Campus Headquarters. Our inability to access and employ the cash that collateralizes our outstanding and future letters of credit may impact our liquidity and could have an adverse impact on our business, operations and financial condition.

#### **Risks Related to the Environment, Climate and Weather**

***A major earthquake, tsunami, tornado, wildfire, 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, wildfire, 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, which may not be covered by insurance. Additionally, to the extent such events become more frequent or intense, such as a result of climate change, it may adversely impact the cost or availability of such insurance.

***Climate change may negatively affect our business and operations.***

Increasing concentrations of greenhouse gases in the atmosphere have generally been concluded to lead to increased ambient global temperatures, as well as changes in 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. These and other changes to the physical environment may adversely impact our operations or those of the suppliers on whom we rely. While we may take various actions to mitigate our business risks associated with climate change, this may require us to incur substantial costs and may not be successful, due to, among other things, the uncertainty associated with the longer-term projections associated with managing climate risks.

#### **Risks Related to Being a Public Company**

***If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.***

Ensuring that we have adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. We are in the process of upgrading our information technology systems and implementing additional financial and management controls, reporting systems and procedures in order to keep up with the requirements of being a reporting company under the Exchange Act. Additionally, the growth of our operations and our being a public company have created a need for additional resources within the accounting and finance functions due to the increasing need to produce timely financial information and to ensure the level of segregation of duties customary for a U.S. public company. We have hired additional resources in the accounting and finance functions and continue to reassess the sufficiency of finance personnel in response to these increasing demands and expectations.

As a public company, we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We have and will continue to expend significant resources in developing the necessary documentation and testing procedures required by Section 404. We cannot be certain that the actions we have and will continue to take to improve our internal controls over financial reporting will be sufficient.

Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by NASDAQ, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

***Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.***

Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

***The requirements of being a public company will require us to incur increased costs and may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.***

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Exchange Act which requires, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as related rules adopted by the SEC and the Nasdaq Global Select Market, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, we are required to comply with certain requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, as well as rules and regulations subsequently implemented by the SEC related to corporate governance and executive compensation, such as "say on pay" and proxy access. As such, we have and will continue to incur additional compliance-related expenses. Additionally, the SEC and other regulators have continued to adopt new rules and regulations and make additional changes to existing regulations that require our compliance.

Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact, in ways we cannot currently anticipate, the manner in which we operate our business. We expect the rules and regulations applicable to public companies to continue to increase our

legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business. Furthermore, these rules and regulations could make it more difficult or more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage and higher self-insured retention amounts, or incur substantially higher costs to obtain the same or similar coverage. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements.

#### **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 meat 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 meat 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, the FDA has announced that it is developing guidance on naming plant-based meat alternatives 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 law prohibiting 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 with the new law. The Decree was published on June 29, 2022, and entered into force on October 1, 2022. We do not believe that the Decree complies with the laws of the European Union (EU), in particular the principle of free movement of goods. On July 27, 2022, at the request of a trade association, the French High Administrative Court partially suspended the execution of the Decree. This signals that there are indeed serious doubts as to the lawfulness of the Decree, though the suspension is only partial and temporary until the Court rules on the merits of the case. We understand that at least two more trade associations are also considering litigation. In this context, on October 21, 2022, the Company filed an application for annulment against the Decree. The Company also intervened in favor of the trade association in their pending case against the Decree on November 16, 2022.

France is the first EU Member State to adopt such a law. Should other 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.

***Increases in income tax rates or changes in income tax laws could have a material adverse impact on our financial results.***

Increases in income tax rates or other changes in tax laws, including changes in how existing tax laws are interpreted or enforced, could adversely affect our financial performance. The increasingly complex global tax environment has in the past and could continue to increase tax uncertainty, resulting in higher compliance costs and adverse effects on our financial performance. We are also subject to regular reviews, examinations and audits by numerous taxing authorities with respect to income and non-income based taxes. Economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, may make resolving tax disputes more difficult and the final resolution of tax audits and any related litigation can differ from our historical provisions and accruals, resulting in an adverse effect on our financial performance.

***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 I, [Item 3, Legal Proceedings](#), and [Note 10, Commitments and Contingencies](#), to the Notes to 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.

## **General Risk Factors**

### ***Our share price has been and may continue to be highly volatile, and you could lose all or part of your investment.***

The market price of our common stock has been and is likely to continue to be highly volatile and could be subject to wide fluctuations in response to many factors discussed in this “*Risk Factors*” section, including:

- general economic, market and political conditions, including negative effects on consumer confidence and spending levels;
- actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results;
- announcements of innovations by us or our competitors;
- announcement by competitors or new market entrants of their entry into or exit from the plant-based meat market;
- overall conditions in our industry and the markets in which we operate;
- market conditions or trends in the packaged food sales industry or in the economy as a whole;
- addition or loss of significant customers or other developments with respect to significant customers;
- adverse developments concerning our manufacturers or suppliers;
- changes in laws or regulations applicable to our products or business;
- our ability to effectively manage our growth and market expectations with respect to our growth;
- speculation regarding public customer announcements or geographic expansion;
- actual or anticipated changes in our growth rate relative to our competitors;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- competition from existing products or new products that may emerge;
- issuance of new or updated research or reports about us or our industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;



- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- disputes or other developments related to proprietary rights, including patents, and our ability to obtain intellectual property protection for our products;
- litigation or regulatory matters;
- announcement or expectation of additional financing efforts;
- our cash position;
- our indebtedness and ability to pay such indebtedness, as well as our ability to comply with covenants under our credit agreement;
- sales of our common stock by our stockholders;
- issuance of equity or debt;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our common stock;
- changes in accounting practices;
- ineffectiveness of our internal controls;
- short-selling of our common stock;
- negative media or marketing campaigns undertaken by our competitors or lobbyists supporting the meat industry;
- the public's response to publicity relating to the health aspects or nutritional value of our products;
- the effects of COVID-19 and any other pandemic, epidemic or other public health crisis; and
- other events or factors, many of which are beyond our control.

Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes, tariffs, international currency fluctuations, or the effects of disease outbreaks or pandemics (such as COVID-19), may negatively impact the market price of our common stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. For example, in the past, we have been subject to multiple shareholder derivative lawsuits related, in part, to a securities case filed against us alleging federal securities law violations with respect to past disclosure, which case has since been dismissed with prejudice. Securities litigation, and any other type of litigation, brought against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business and adversely affect our results of operations.

***Future sales of our common stock in the public market could cause our share price to fall.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could reduce the market price of our common stock. Moreover, certain holders of our common stock have rights, subject to certain conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also have registered all shares of common stock that we may issue under our equity compensation plans following the IPO or that are issuable upon exercise of outstanding options following the

IPO. These shares can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates. If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

***If securities or industry analysts issue an adverse or misleading opinion regarding our business or publish unfavorable research about our business, our share price and trading volume could decline.***

The trading market for our common stock depends in part on the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us ceases coverage of our company or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline. Moreover, if any of the analysts who cover us downgrade our stock or issue an adverse or misleading opinion regarding us, our business model or our stock performance, or if our operating results fail to meet the expectations of the investor community, our share price could decline.

***We have never paid dividends on our capital stock and we do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our common stock will likely depend on whether the price of our common stock increases.***

We have never declared or paid any dividends on our common stock and do not intend to pay any dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Accordingly, investors should rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

***Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.***

Our restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include:

- providing for a classified board of directors with staggered, three-year terms;
- authorizing our board of directors to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control;
- prohibiting cumulative voting in the election of directors;
- providing that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- prohibiting the adoption, amendment or repeal of our amended and restated bylaws or the repeal of the provisions of our restated certificate of incorporation regarding the election and removal of directors without the required approval of at least 66.67% of the shares entitled to vote at an election of directors;
- prohibiting stockholder action by written consent;
- limiting the persons who may call special meetings of stockholders; and
- requiring advance notification of stockholder nominations and proposals, including without limitation, compliance with the requirements of Rule 14a-19 under the Exchange Act, as applicable.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, the provisions of Section 203 of the Delaware General Corporate Law, or the DGCL, govern us. These provisions may prohibit large

stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our board of directors.

These and other provisions in our restated certificate of incorporation and our amended and restated bylaws and under Delaware law could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions.

Our restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees or agents to us or our stockholders;
- any action asserting a claim against us arising pursuant to any provision of the DGCL, our restated certificate of incorporation, or our amended and restated bylaws;
- any action to interpret, apply, enforce or determine the validity of our restated certificate of incorporation or our amended and restated bylaws; and
- any action asserting a claim against us that is governed by the internal affairs doctrine;

provided, that with respect to any derivative action or proceeding brought on our behalf to enforce any liability or duty created by the Exchange Act or the rules and regulations thereunder, the exclusive forum will be the federal district courts of the United States of America. Our restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees.

***Our ability to utilize our federal net operating loss and tax credit carryforwards may be limited under Sections 382 and 383 of the Internal Revenue Code (the "Code").***

As of December 31, 2022, we had accumulated federal, state and foreign net operating loss carryforwards of approximately \$744.5 million, \$314.2 million and \$84.1 million, respectively. Approximately \$652.7 million of the federal net operating losses and \$84.9 million of the state net operating losses do not expire and the remaining federal, state and foreign tax loss carryforwards begin to expire in 2031, 2031 and 2025, respectively, unless previously utilized. Utilization of the Company's net operating loss and tax credit carryforwards may be subject to a substantial annual limitation due to the ownership change limitations provided by the Code and similar state provisions.

The limitations apply if a corporation undergoes an "ownership change," which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period. We have experienced several ownership changes none of which is expected to result in a material limitation on the future use of our net operating loss and credit carryforwards generated prior to these ownership changes. However, any future changes in our stock ownership, which may be outside of our control, may trigger an ownership change and, consequently, Section 382 and 383 limitations. Similar provisions of state tax law

may also apply to limit our use of accumulated state tax attributes. As a result, if we earn net taxable income, our ability to use our pre-change net operating loss carryforwards and other tax attributes to offset such taxable income may be subject to limitations, which could potentially result in increased future income tax liability to us. We are currently analyzing whether and to what extent we have experienced an ownership change pursuant to Section 382; and to the extent such change occurred, the impact to the availability of our tax attributes.

#### ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

#### ITEM 2. PROPERTIES.

Our principal facilities, which are leased except where otherwise indicated, are as follows:

Primary Use	Location	Approximate Area (SF)	Expiration of Lease
<b>United States:</b>			
Production of woven protein and dry blend flavor systems	Columbia, MO	26,000	6/30/2025
Production of woven protein and dry blend flavor systems	Columbia, MO	64,000	7/31/2025
Warehousing and dry blending	Columbia, MO	142,000	Owned
Production of finished goods	Devault, PA	86,000	Owned
Corporate headquarters, lab and innovation ("Campus Headquarters") <sup>(1)</sup>	El Segundo, CA	282,000	11/30/2033
Lab and innovation space	El Segundo, CA	30,000	1/31/2024
<b>International:</b>			
Production of woven protein and dry blend flavor systems	Enschede, the Netherlands	46,000	Owned
Production of woven protein and finished goods	Jiaxing, China	38,000	9/09/2027
Research and development	Shanghai, China	12,000	1/11/2030

(1) As of December 31, 2022, approximately 72,000 rentable square feet of this facility has been completed, delivered and occupied. See [Note 10, Commitments and Contingencies](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.

Given our intention to reduce our overall operating expenses and cash expenditures, on February 14, 2023, we terminated the lease of our Commerce, California commercialization center. See [Note 14, Subsequent Event](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.

#### ITEM 3. 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. For a description of our material pending legal proceedings, please see [Note 10, Commitments and Contingencies](#), of the Notes to Consolidated Financial Statements included elsewhere in this report. Although the outcome of these and other claims cannot be predicted with certainty, other than the settlement of certain actions, 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.

**ITEM 4. MINE SAFETY DISCLOSURES.**

Not applicable.

**PART II**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

**Market Information**

Our common stock began trading on the Nasdaq Global Select Market under the symbol "BYND" on May 2, 2019. Prior to that date, there was no public trading market for our common stock.

**Holders**

As of February 28, 2023, there were 137 holders of record of our common stock. This number does not include beneficial owners whose shares are held by nominees in street name.

**Dividends**

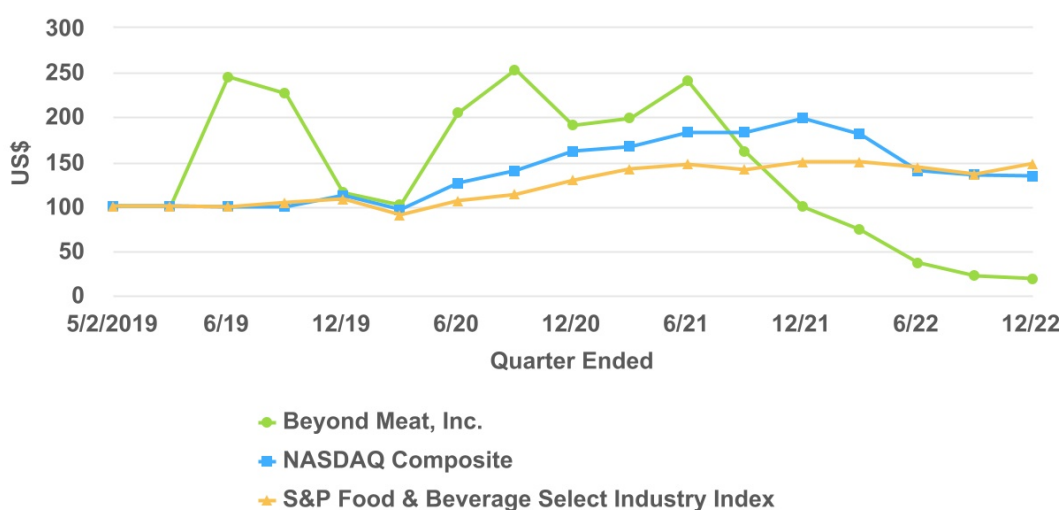
The Company has not declared or paid any dividends, or authorized or made any distribution upon or with respect to any class or series of its capital stock.

**Performance Graph**

The following performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, or otherwise subject to the liabilities under the Securities Act or Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The following graph depicts the total cumulative stockholder return on our common stock from May 2, 2019, the first day of trading of our common stock on the Nasdaq Global Select Market, through December 31, 2022, relative to the performance of the NASDAQ Composite Index and the S&P Food and Beverage Select Industry Index, a peer group that includes Beyond Meat. The graph assumes an initial investment of \$100.00 at the close of trading on May 2, 2019 and that all dividends paid by companies included in these indices have been reinvested. The performance shown in the graph below is not intended to forecast or be indicative of future stock price performance.

**COMPARISON OF 44 MONTH CUMULATIVE TOTAL RETURN\***  
**Among Beyond Meat, Inc., the NASDAQ Composite Index,**  
**and the S&P Food & Beverage Select Industry Index**



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ITEM 6. [RESERVED]

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

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

*Our Management's Discussion and Analysis of Financial Condition and Results of Operations included in this document generally discusses 2022 and 2021 items and year-to-year comparisons between 2022 and 2021. Discussions of 2020 items and year-to-year comparisons between 2021 and 2020 that are not included in this document can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.*

### 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 promise, "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 meat, 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 flexitarians, 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 December 2022, Beyond Meat Branded products were available at approximately 190,000 retail and foodservice outlets in more than 80 countries worldwide, 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.

Net revenues decreased to \$418.9 million in 2022 from \$464.7 million in 2021, representing a 9.8% reduction. We have generated losses since inception. Net loss in 2022 and 2021 was \$366.1 million and \$182.1 million, respectively, as we pursued our long-term goal of future growth of our business, investing in innovation, people, infrastructure, product scaling and establishing strategic partnerships in the U.S., EU and China. In 2022, our net revenues were negatively affected by softness in demand in the plant-based category, macroeconomic issues, including inflation, rising interest rates and increasing concerns about the likelihood of a recession, and increased competition. Additionally, there remains uncertainty regarding the long-term effects of the COVID-19 pandemic and certain negative impacts on our business, the plant-based category, consumer and customer behavior, and demand levels.

In response to the current difficult environment and negative impact of these factors on our business and the overall plant-based category, beginning in the fourth quarter of 2022 we are pivoting our focus toward sustainable long-term growth supported by three pillars: (1) driving margin recovery and operating expense reduction through the implementation of lean value streams across our beef, pork and poultry platforms; (2) inventory reduction and cash flow generation through more efficient inventory management; and (3) focusing on near-term retail and foodservice growth drivers while supporting strategic key long-term partners and opportunities.

Our net revenues, gross profit, gross margin, earnings and cash flows have been and may continue to be adversely impacted in 2023 by the following:

- changes in our product mix including the launch of new products, 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, particularly for refrigerated plant-based meat, and increased competitive activity, including the deceleration of plant-based meat across Europe and our ability to successfully launch extended shelf-life products;
- the impact of high inflation and the plant-based meat sector's premium pricing relative to animal protein, including causing consumers to trade down into cheaper forms of protein, including animal meat;
- our decreased revenue forecast negatively impacting capacity utilization, which could also give rise to underutilization fees and termination fees to exit certain supply chain arrangements and/or the write-off of certain equipment, driving less leverage on fixed costs and delaying the speed at which cost savings initiatives impact our financial results;
- changes in forecasted demand, particularly for Beyond Meat Jerky;
- managing inventory levels, including sales to the liquidation channel and the level of inventory reserves;
- price reductions, 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, rising interest rates, higher transportation, raw materials, energy, labor and supply chain costs;
- increased promotional programs and trade discounts to our retail and foodservice customers, including to bolster support for our core lines, and shifts in product and channel mix resulting in negative impacts on our gross margins;
- potential disruption to our supply chain generally caused by distribution and other logistical issues;
- continued effects of the COVID-19 pandemic; and
- labor needs at the Company as well as in the supply chain and at customers.

In 2021, we entered into The Planet Partnership, LLC ("TPP"), a joint venture with PepsiCo, Inc., to develop, produce and market innovative snack and beverage products made from plant-based protein. In the fourth quarter of 2022, we began taking steps to restructure certain contracts and operating activities related to Beyond Meat Jerky. Such activities are expected to continue through most of 2023.

On August 3, 2022 and October 14, 2022, we announced reductions-in-force affecting approximately 4% and 19%, respectively, of our global workforce. These decisions were based on cost-reduction initiatives intended to reduce operating expenses as the Company focuses on a set of key growth priorities. We may not be able to fully realize the costs savings and benefits initially anticipated from these actions, and the expected costs may be greater than expected. See Part I, [Item 1A](#), *Risk Factors—Risks Related to Our Business—Our strategic initiatives to reduce our cost structure towards cash flow positive operations could have long-term adverse effects on our business, and we may not realize the operational or financial benefits from such actions and Our inability to streamline operations and improve cost efficiencies could result in the contraction of our business and the implementation of significant cost cutting measures.*



## **Impact of COVID-19 on Our Business**

The COVID-19 pandemic has had a significant impact on our business over the last three years, but as we moved through 2022 we saw consumers start to return to more normalized routines; more social gatherings, going out to bars and restaurants and returning to offices, which impacted demand. We have also seen a normalization of supply chains across the food and beverage industry that is reducing the disruption of the supply from many protein suppliers and increasing choice for consumers.

In the United States, we have transitioned back to normal operating procedures with a heightened awareness of maintaining a healthy workplace and work environment. At all of our facilities, we follow current guidelines from local departments of public health and have implemented comprehensive preventative hygienic measures to support the health and safety of our employees.

As a result of China's lifting of its zero COVID policies, our facilities in China no longer require visitors and personnel to obtain a 72-hour swab test results. However, at our R&D center and Jiaxing factory, visitors are still required to pre-register their personal details and record their temperature. Those who record symptoms relating to a fever or report cough symptoms are not allowed to enter these two facilities.

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 associated with the conventional 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 (the "ESG Materiality Analysis"). The term "materiality analysis" is common in the discussion of such assessments; however, 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. While 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 priority topics in our ESG Materiality Analysis, our discussion of these and other ESG matters herein or elsewhere may include information that is not necessarily "material" for SEC reporting purposes, and is informed by various ESG standards and frameworks (including standards for the measurement of underlying data), and the interests of various stakeholders. Much of this information is subject to assumptions, estimates or third-party information that is still evolving and subject to change. For example, our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable government policies, or other factors, some of which may be beyond our control. We continue to work on leveraging the ESG Materiality Analysis to inform our strategy and actions under our commitment to promoting 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 and sales to TPP
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 challenges 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 FSR 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;
- the success of our pivot to focus on sustainable long-term growth, including focusing on near-term retail and foodservice growth drivers while supporting strategic key long-term partners and opportunities;
- 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 seek 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 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 planet, serve as a best-in-class partner to both retail and foodservice customers to support product development and category management, and drive consumer adoption of our products;
- overall market trends, including consumer awareness and demand for nutritious, convenient and high protein plant-based foods; and
- localized production and third-party partnerships to improve our cost of production and increase the availability and speed with which we can get our products to customers internationally.

As we seek to grow our net revenues, we face several challenges, including any lasting effects from COVID-19, which are difficult to quantify, global events such as the conflict in Ukraine and their impact on availability of raw materials, broad macroeconomic headwinds including elevated levels of inflation, waning consumer confidence and recessionary concerns, increasing competition in the plant-based meat category, and softening in demand of the plant-based meat category overall, particularly in the refrigerated subsegment among others.

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 over time we will need to continue to offer more trade and promotion discounts to both our retail and foodservice customers, to drive increased consumer trials and in response to changing consumer and customer behavior, and increased competition and pressure on the plant-based meat category. 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 for estimated sales discounts that have been incurred but not paid which totaled \$4.6 million and \$3.6 million as of December 31, 2022 and 2021, respectively. We expect to face increasing competition across all channels, especially as additional plant-based meat product brands continue to enter the marketplace and as consumers trade down among proteins in the context of significant inflationary pressure. In response, we anticipate providing heavier discounting and promotions on some of our products from time to time. 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 margin 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. For example, in the third quarter of 2022, a combination of overall weaker than expected demand in the category and certain customer and distributor changes and buying patterns, such as reducing targeted inventory levels, among other factors, contributed to the decline in net revenues across markets and channels compared to the prior-year period.

Our financial performance also depends on our operational effectiveness and ability to fulfill orders in full and on time.

Further, we may not be able to recapture missed opportunities in later periods, for example if the opportunity is 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 2022 and 2021, U.S. retail channel net revenues during the second quarter were 16% and 21% higher than the first quarter, respectively. We expect to continue to see additional seasonality effects, especially within our retail channel, with revenue contribution from this channel generally 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 addition, in an environment of uncertainty from recessionary and inflationary pressures, general softness in the plant-based category, competition and other factors impacting our business, including uncertainty around the long-term impacts 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, co-manufacturing fees, direct and indirect labor and certain supply costs, in-bound and internal shipping and handling costs incurred in manufacturing our products, warehouse storage fees, plant and equipment overhead, depreciation and amortization expense, cost of packaging our products, inventory write-offs and reserves. Under certain circumstances, our cost of goods sold may also include underutilization and/or termination fees associated with our co-manufacturing

agreements. Over time, 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 recessionary and inflationary pressures, competition, general softness in the plant-based category and other factors impacting our business, we continue to expect that gross profit and gross margin improvements will be delivered primarily through:

- implementation of lean value streams across our beef, pork and poultry platforms;
- improved volume leverage and throughput;
- reduced manufacturing conversion costs driven in part by optimization of our production network;
- greater internalization and geographic localization of our manufacturing footprint;
- finished goods, materials and packaging input cost reductions and scale of purchasing;
- 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.

Gross margin improvement may, however, continue to be negatively impacted by reduced capacity utilization if demand for our products does not meet our expectations, investments in our production infrastructure across the U.S., EU and China in advance of anticipated demand, investing in production personnel, partnerships and product pipeline, aggressive pricing strategies and increased discounting, increases in inventory reserves and potentially increased sales to the liquidation channel, changes in our product and customer mix, expansion into new geographies and markets where cost and pricing structures may differ from our existing markets, and underutilization fees and termination fees to exit certain supply chain arrangements, driving less leverage on fixed costs and delaying the speed at which cost savings initiatives impact our financial results. Gross margin improvement may also be negatively impacted by the impact of lower demand forecast, 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, depreciation and amortization expenses on research and development assets, and facility lease costs. Our research and development efforts are focused on enhancements to our existing product formulations and production processes in addition to the development of new products. We expect to continue to invest in research and development over time, 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 innovate in order to capture a larger share of consumers who typically eat animal-based meats. We expect research and development expenses in 2023 to decrease from the levels in 2022 as a result of the reduction in force implemented in October 2022 and as we focus on reducing and optimizing operating expenses more broadly. Given our intention to reduce overall operating expenses and cash expenditures,

subsequent to the year ended December 31, 2022, on February 14, 2023, we terminated the lease of our Commerce, California commercialization center.

### ***Selling, General and Administrative (“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 and non-research and development 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 donations, 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 2023 to decrease from the levels in 2022, as we focus on reducing and optimizing operating expenses more broadly, including as part of the implementation of lean value streams across our beef, pork and poultry platforms.

On August 3, 2022, we announced a reduction-in-force affecting approximately 4% of our global workforce. This reduction-in-force is expected to result in total annualized savings of approximately \$8 million, excluding one-time separation costs of approximately \$1 million, which we recorded in the third quarter of 2022 and reflected within the SG&A and Research and Development expenses in the consolidated statement of operations. On October 11, 2022, our Board of Directors approved a plan to reduce our workforce by an additional approximately 200 employees, representing approximately an additional 19% of our total global workforce, based on cost-reduction initiatives intended to reduce operating expenses. We incurred one-time cash charges of approximately \$4 million in connection with the reduction in force of October 2022, primarily consisting of notice period and severance payments, employee benefits and related costs. The majority of these charges were incurred in the fourth quarter of 2022, and the reduction-in-force was substantially completed by the end of 2022.

### ***Restructuring Expenses***

In May 2017, management approved a plan to terminate an exclusive supply agreement with one of our co-manufacturers. On October 18, 2022, the parties entered into a confidential written settlement agreement and mutual release in connection with this matter. See [Note 3](#), *Restructuring*, and [Note 10](#), *Commitments and Contingencies*, to the Notes to Consolidated Financial Statements, included elsewhere in this report.

## **Results of Operations**

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

<b>(in thousands)</b>	<b>Year Ended December 31,</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Net revenues	\$ 418,933	\$ 464,700	\$ 406,785
Cost of goods sold	442,676	347,419	284,510
Gross profit	(23,743)	117,281	122,275
Research and development expenses	62,264	66,946	31,535
Selling, general and administrative expenses	239,505	209,474	133,655
Restructuring expenses	17,259	15,794	6,430
Total operating expenses	319,028	292,214	171,620
Loss from operations	\$ (342,771)	\$ (174,933)	\$ (49,345)

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

	Year Ended December 31,		
	2022	2021	2020
Net revenues	100.0 %	100.0 %	100.0 %
Cost of goods sold	105.7	74.8	69.9
Gross profit	(5.7)	25.2	30.1
Research and development expenses	14.9	14.4	7.7
Selling, general and administrative expenses	57.2	45.1	32.9
Restructuring expenses	4.1	3.4	1.6
Total operating expenses	76.2	62.9	42.2
Loss from operations	(81.9)%	(37.7)%	(12.1)%

**Year Ended December 31, 2022 Compared to Year Ended December 31, 2021**

**Net Revenues**

(in thousands)	Year Ended December 31,		Change	
	2022	2021	Amount	%
U.S.:				
Retail	\$ 234,744	\$ 243,360	\$ (8,616)	(3.5)%
Foodservice	69,289	76,475	(7,186)	(9.4)%
U.S. net revenues	304,033	319,835	(15,802)	(4.9)%
International:				
Retail	\$ 60,907	\$ 81,483	\$ (20,576)	(25.3)%
Foodservice	53,993	63,382	(9,389)	(14.8)%
International net revenues	114,900	144,865	(29,965)	(20.7)%
Net revenues	\$ 418,933	\$ 464,700	\$ (45,767)	(9.8)%

Net revenues in the year ended December 31, 2022 decreased by \$45.8 million, or 9.8%, as compared to the prior year primarily due to a 10.2% decrease in net revenue per pound including the impact of unfavorable changes in foreign exchange rates, increased sales to liquidation channels and list price reductions in the U.S. and EU. Net revenues from foodservice channel sales decreased 11.9%, with a greater portion of the decrease from international foodservice channel sales. Net revenues from retail channel sales decreased 9.0% primarily due to reduced pricing, higher trade discounts, unfavorable changes in foreign exchange rates and lower overall demand as a result of a deceleration in growth of the plant-based meat category.

Net revenues from U.S. retail sales in the year ended December 31, 2022 decreased \$8.6 million, or 3.5%, as compared to the prior year. Total pounds sold increased 0.5%, offset by a decrease of 4.0% in net revenue per pound attributable to lower pricing, including the impact of increased sales to liquidation channels, strategic but limited list price reductions and higher trade discounts. By product, the decrease in U.S. retail channel net revenues was primarily due to reduced sales of Beyond Burger and Beyond Dinner Sausage, partially offset by sales to TPP of Beyond Meat Jerky introduced in the first quarter of 2022, which contributed \$33.5 million in net revenues.

Net revenues from U.S. foodservice sales in the year ended December 31, 2022 decreased \$7.2 million, or 9.4%, as compared to the prior year primarily driven by a decrease of 7.5% in net revenue per pound and a

2.0% decrease in total pounds sold. The decrease in net revenue per pound was primarily due to higher trade discounts and changes in sales mix. By product, the decrease in sales was primarily due to reduced sales of Beyond Burger and Beyond Breakfast Sausage driven by the discontinuation of distribution at a certain customer, partially offset by increased sales of chicken products, including sales to a large QSR customer and sales of Beyond Chicken Tenders and Beyond Sausage. Beyond Meat branded products were available at approximately 78,000 U.S. retail outlets and 43,000 U.S. foodservice outlets as of December 2022.

Net revenues from international retail sales in the year ended December 31, 2022 decreased \$20.6 million, or 25.3%, as compared to the prior year primarily driven by a 21.5% decrease in net revenue per pound and a 4.9% decrease in pounds sold. The decrease in net revenue per pound was primarily due to list price reductions in the EU implemented in the first quarter of 2022, impact of unfavorable foreign exchange rates, increased trade discounts and changes in sales mix. By product, the decrease in sales was primarily due to decreases in sales of Beyond Burger, Beyond Sausage and Beyond Beef, partially offset by increases in sales of chicken products, including Beyond Chicken Tenders, and Beyond Breakfast Sausage.

Net revenues from international foodservice channel sales in the year ended December 31, 2022 decreased \$9.4 million, or 14.8%, as compared to the prior year primarily due to a 21.5% decrease in net revenue per pound, partially offset by an 8.6% increase in pounds sold. The decrease in net revenue per pound was mainly due to changes in sales mix, impact of unfavorable foreign exchange rates and increased trade discounts. By product, the decrease in sales was primarily due to decreases in sales of Beyond Burger, Beyond Beef Crumble and Beyond Beef, partially offset by increases in sales of chicken products, including Beyond Chicken Tenders. Beyond Meat branded products were available at approximately 35,000 international retail and 34,000 international foodservice outlets as of December 2022.

The following table presents volume of our products sold in pounds:

(in thousands)	Year Ended December 31,		Change	
	2022	2021	Amount	%
U.S.:				
Retail	44,784	44,568	216	0.5 %
Foodservice	12,786	13,047	(261)	(2.0)%
International:				
Retail	13,435	14,120	(685)	(4.9)%
Foodservice	13,951	12,848	1,103	8.6 %
Volume of products sold	84,956	84,583	373	0.4 %

#### Cost of Goods Sold

(in thousands)	Year Ended December 31,		Change	
	2022	2021	Amount	%
Cost of goods sold	\$ 442,676	\$ 347,419	\$ 95,257	27.4 %

Cost of goods sold increased by \$95.3 million, or 27.4%, in 2022 as compared to the prior year. As a percentage of net revenues, cost of goods sold increased to 105.7% of net revenues in 2022 from 74.8% of net revenues in the prior year. The increase in cost of goods sold was primarily due to increased cost per pound and, to a lesser extent, increased pounds sold. The increase in cost per pound was primarily due to higher manufacturing costs including depreciation, increased logistics costs, higher inventory reserves and write-offs, and increased materials costs. In addition, the introduction of Beyond Meat Jerky in the first quarter of 2022 negatively impacted cost per pound in 2022 compared to the prior year. Cost of goods sold in 2022 included underutilization fees and one-time termination costs associated with certain co-manufacturing

agreements in the amount of \$9.1 million, in aggregate, as compared to amounts which were immaterial in the prior year.

Cost of goods sold in 2022 included \$22.6 million in write off of excess and obsolete inventories and \$1.0 million in write down of inventory to lower of cost or net realizable value. Cost of goods sold in 2021 included \$12.5 million in write off of excess and obsolete inventories and \$0.8 million in write down of inventory to lower of cost or net realizable value.

### Gross Profit and Gross Margin

(in thousands)	Year Ended December 31,		Change	
	2022	2021	Amount	%
Gross (loss) profit	\$ (23,743)	\$ 117,281	\$ (141,024)	(120.2)%
Gross margin	(5.7)%	25.2 %	N/A	N/A

Gross profit in 2022 was a loss of \$23.7 million, or 5.7% of net revenues, as compared to gross profit of \$117.3 million, or 25.2% of net revenues, in the prior year, a decline of \$141.0 million. Gross margin in the year ended December 31, 2022 decreased to a negative gross margin of 5.7% from a positive gross margin of 25.2% in the prior year. Despite a 0.4% increase in total pounds sold, gross profit and gross margin decreased primarily as a result of increased cost per pound of approximately \$1.10 and decreased net revenue per pound of approximately \$0.56 in the year ended December 31, 2022 compared to the prior year. Beyond Meat Jerky negatively impacted gross profit by approximately \$19.3 million in the year ended December 31, 2022. Sales of Beyond Meat Jerky and sales into the liquidation channel were both terminations costs associated with certain co-manufacturing agreements, including \$4.1 million associated with Beyond Meat Jerky, negatively impacted gross profit in the year ended December 31, 2022. Gross profit per pound and gross margin declined primarily due to decreased revenue per pound due to changes in product mix and higher trade discounts, combined with increased manufacturing costs per pound including depreciation, higher logistics costs and materials cost. As disclosed in [Note 2, Summary of Significant Accounting Policies—Shipping and Handling Costs](#), in the Notes to Consolidated Financial Statements included elsewhere in this report, 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)	Year Ended December 31,		Change	
	2022	2021	Amount	%
Research and development expenses	\$ 62,264	\$ 66,946	\$ (4,682)	(7.0)%

Research and development expenses decreased \$4.7 million, or 7.0%, in 2022, as compared to the prior year. Research and development expenses decreased primarily due to \$7.1 million in lower scale-up expenses compared to the prior year, partially offset by higher facility lease-related costs.

### SG&A Expenses

(in thousands)	Year Ended December 31,		Change	
	2022	2021	Amount	%
Selling, general and administrative expenses	\$ 239,505	\$ 209,474	\$ 30,031	14.3 %

SG&A expenses increased by \$30.0 million, or 14.3%, in 2022, as compared to the prior year. The increase was primarily due to \$12.8 million in higher marketing programs-related expenses including advertising costs incurred to raise awareness of our products both domestically and internationally; \$11.2 million in higher



salaries and related expenses resulting from a higher headcount through the first three quarters of 2022 and severance-related expenses in the fourth quarter of 2022 associated with the October 2022 reduction in force; and \$5.6 million in higher product donations.

### **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 \$17.3 million and \$15.8 million in 2022 and 2021, respectively, primarily related to legal and other expenses associated with the dispute. As of December 31, 2022 and 2021, there were \$0.7 million and \$2.7 million, respectively, in accrued unpaid liabilities associated with this contract termination primarily representing legal fees. On October 18, 2022, the parties entered into a confidential written settlement agreement and mutual release in connection with this matter. See [Note 3, Restructuring](#), and [Note 10, Commitments and Contingencies](#), to the Notes to Consolidated Financial Statements, included elsewhere in this report.

### **Loss from Operations**

Loss from operations in 2022 was \$342.8 million compared to loss from operations of \$174.9 million in the prior year. In addition to the decline in gross profit, the increase in loss from operations was also driven by higher SG&A and restructuring expenses, partially offset by lower research and development expenses.

### **Total Other Expense, Net**

Total other expense, net in the year ended December 31, 2022 of \$4.4 million consisted primarily of \$4.0 million in interest expense from amortization of debt issuance costs and \$4.9 million in foreign currency transaction losses, partially offset by \$4.5 million in interest income. Total other expense, net in the year ended December 31, 2021 of \$4.1 million consisted primarily of \$3.6 million in interest expense from amortization of debt issuance costs, \$1.0 million in loss on extinguishment of debt and \$0.2 million in foreign currency transaction losses, partially offset by \$0.2 million in interest income and \$1.1 million in subsidies received from the Jiaxing Economic Development Zone Finance Bureau related to our investment in our subsidiary, Beyond Meat (Jiaxing) Food Co., Ltd. ("BYND JX").

### **Income Tax Expense**

For 2022 and 2021, we recorded an income tax expense of \$32,000 and \$60,000, respectively. These amounts primarily consist of income taxes for state jurisdictions which have minimum tax requirements. No tax benefit was provided for losses incurred because those losses were offset by a full valuation allowance.

### **Net Loss**

Net loss was \$366.1 million in 2022 compared to \$182.1 million in the prior year. This increase in net loss was driven by the year-over-year decrease in gross profit and increase in operating expenses.

### **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 (benefit) 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 measures. 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)	Year Ended December 31,		
	2022	2021	2020
Net loss, as reported	\$ (366,137)	\$ (182,105)	\$ (52,752)
Income tax expense	32	60	72
Interest expense	3,966	3,648	2,576
Depreciation and amortization expense	32,582	21,663	13,299
Restructuring expenses <sup>(1)</sup>	17,259	15,794	6,430
Share-based compensation expense	33,857	27,698	27,279
Expenses attributable to COVID-19	—	—	14,137
Other, net <sup>(2)</sup>	420	487	759
Adjusted EBITDA	<u>\$ (278,021)</u>	<u>\$ (112,755)</u>	<u>\$ 11,800</u>
Net loss as a % of net revenues	(87.4)%	(39.2)%	(13.0)%
Adjusted EBITDA as a % of net revenues	(66.4)%	(24.3)%	2.9 %

(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. See [Note 3, Restructuring](#), and [Note 10, Commitments and Contingencies](#), to the Notes to Consolidated Financial Statements, included elsewhere in this report.

(2) Includes \$4.9 million and \$0.2 million in net foreign currency transaction losses in 2022 and 2021, respectively. Also includes \$1.0 million in loss on extinguishment of debt associated with termination of the Company's credit facility in 2021.

## Liquidity and Capital Resources

### **Convertible Senior Notes**

On March 5, 2021, we issued \$1.0 billion aggregate principal amount of our 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. The initial purchasers of the Convertible Notes exercised their option to purchase an additional \$150.0 million aggregate principal amount of our 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 initial conversion price of the Notes is \$206.00 per share of common stock, which represents a premium of approximately 47.5% over the closing price of the Company’s common stock on March 2, 2021. The Notes will mature on March 15, 2027, unless earlier repurchased, redeemed or converted. The Notes were issued pursuant to, and are governed by, an indenture, dated as of March 5, 2021 (the “Indenture”), between us and U.S. Bank National Association, as trustee (the “Trustee”). We used \$84.0 million of the net proceeds from the sale of the Notes to fund the cost of entering into capped call transactions, described below. 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 Consolidated Financial Statements included elsewhere in this report.

### **Capped Call Transactions**

On March 2, 2021, in connection with the pricing of the offering of the Convertible Notes, we entered into capped call transactions (the “Base Capped Call Transactions”) with the option counterparties and used \$73.0 million in net proceeds from the sale of the Convertible Notes to fund the cost of the Base Capped Call Transactions. On March 12, 2021, in connection with the Additional Notes, we entered into capped call transactions (the “Additional Capped Call Transactions”) with the option counterparties and used \$11.0 million of the net proceeds from the sale of the Additional Notes to fund the cost of the Additional Capped Call Transactions. The Base Capped Call Transactions and the Additional Capped Call Transactions (collectively, the “Capped Call Transactions”) cover, subject to customary adjustments, the aggregate number of shares of our common stock that will initially underlie the Notes, and are expected generally to reduce potential dilution to our common stock upon any conversion of Notes and/or offset any cash payments we may make in excess of the principal amount of the converted Notes, as the case may be, with such reduction and/or offset subject to a cap, based on the cap price of the Capped Call Transactions. The cap price of the Capped Call Transactions is \$279.32, which represents a premium of 100% over the last reported sale price of our common stock on March 2, 2021. The aggregate \$84.0 million paid for the Capped Call Transactions was recorded as a reduction to APIC. See [Note 7, Debt](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.

### **Revolving Credit Facility**

On March 2, 2021, we terminated our secured revolving credit agreement, dated as of April 21, 2020 (the “Credit Agreement”), among the Company, as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent, and in connection with such termination: (i) all borrowings outstanding under the Credit Agreement were repaid in full by the Company; and (ii) all liens and security interests under the Credit Agreement in favor of the lenders thereunder were released. See [Note 7, Debt](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.

### **Liquidity Outlook**

In 2023, our cash from operations could be affected by various risks and uncertainties, including, but not limited to, the risks detailed in Part I, [Item 1A](#), “Risk Factors,” and “Note Regarding Forward-Looking Statements” included elsewhere in this report. The COVID-19 pandemic, inflation, rising interest rates, overall economic conditions 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 along with our anticipated cash flow from operations 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. The sale of additional equity would result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. Our cash requirements under our significant contractual obligations and commitments are listed below in the section titled “*Contractual Obligations and Commitments*.” In addition, our ability to meet our cash flow positive targets is subject to a number of assumptions and uncertainties, including, without limitation, our ability to reduce costs and achieve positive gross margins; our ability to meet certain revenue and operating expense targets, which may be subject to factors beyond our control; and our ability to monetize inventory and manage working capital.

Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth; the successful implementation of the cost-reduction initiatives described elsewhere in this report; timing to adjust our supply chain and cost structure in response to material fluctuations in product demand; 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; the expenses associated with our marketing initiatives; any continued impacts of the COVID-19 pandemic; our investment in manufacturing and facilities 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 or 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.

We expect our operating expenses in 2023 to decrease from the levels in 2022, as we focus on reducing and optimizing operating expenses more broadly. We incurred one-time cash charges of approximately \$4 million in connection with the October 2022 reduction in force, primarily consisting of notice period and severance payments, employee benefits and related costs. The majority of these charges were incurred in the fourth quarter of 2022, and the reduction-in-force was substantially completed by the end of 2022.

#### ***Sources of Liquidity***

Our primary cash needs are for operating expenses, working capital and capital expenditures to support 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. On August 5, 2019, we completed a secondary public offering of our common stock in which we sold 250,000 shares and certain selling stockholders sold 3,487,500 shares. 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 December 31, 2022, we had \$309.9 million in unrestricted cash and cash equivalents and restricted cash of \$12.6 million securing the letter of credit to support the development and leasing of our Campus Headquarters.

## Cash Flows

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.

(in thousands)	Year Ended December 31,		
	2022	2021	2020
Cash (used in) provided by:			
Operating activities	\$ (320,244)	\$ (301,370)	\$ (39,995)
Investing activities	\$ (87,527)	\$ (147,479)	\$ (74,900)
Financing activities	\$ 276	\$ 1,022,322	\$ (1,762)

### Net Cash Used in Operating Activities

For the year ended December 31, 2022, we incurred a net loss of \$366.1 million, which was the primary reason for net cash used in operating activities of \$320.2 million. Net cash outflows from changes in operating assets and liabilities were primarily due to \$55.1 million in cash outflows associated with the prepaid lease costs for the Campus Lease (see [Note 10, Commitments and Contingencies](#), to the Notes to Consolidated Financial Statements included elsewhere in this report), payments toward accounts payable and a decrease in accrued expenses. The net cash outflows were partially offset by a decrease in accounts receivable, prepaid expenses and other assets and decrease in inventory. Net loss for the year ended December 31, 2022, included \$100.1 million in non-cash expenses primarily comprised of share-based compensation expense, depreciation and amortization expense, non-cash lease expense, unrealized loss on foreign currency transactions and amortization of debt issuance costs.

For the year ended December 31, 2021, we incurred a net loss of \$182.1 million, which was the primary reason for net cash used in operating activities of \$301.4 million. Net cash outflows from changes in operating assets and liabilities were primarily due to the increase in all three classes of inventory, cash outflows associated with the escrow payments for the Campus Lease, increase in prepaid expenses and other assets and increase in accounts receivable. The net cash outflows were partially offset by an increase in accounts payable and accrued expenses. Net loss for the year ended December 31, 2021 included \$60.3 million in non-cash expenses primarily comprised of share-based compensation expense, depreciation and amortization expense, non-cash lease expense, amortization of debt issuance costs and loss on extinguishment of debt.

Depreciation and amortization expense was \$32.6 million and \$21.7 million in the years ended December 31, 2022 and 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.

For the year ended December 31, 2022, net cash used in investing activities was \$87.5 million and consisted of \$70.5 million in 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, and \$13.3 million for investment in TPP.

For the year ended December 31, 2021, net cash used in investing activities was \$147.5 million and consisted of \$136.0 million in 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, \$11.0 million for investment in TPP.

### **Net Cash Provided by Financing Activities**

For the year ended December 31, 2022, net cash provided by financing activities was \$0.3 million primarily from \$1.6 million in proceeds from stock option exercises, partially offset by \$1.1 million in payments of minimum withholding taxes on net share settlement of equity awards and payments under finance lease obligations.

For the year ended December 31, 2021, net cash provided by financing activities was \$1.0 billion primarily from the proceeds of the Notes of \$1.1 billion net of purchased capped call transaction amounts and \$8.1 million in proceeds from stock option exercises, partially offset by repayment of our revolving credit facility balance of \$25.0 million, debt issuance costs of \$23.6 million associated with the Notes, \$3.1 million in payments of minimum withholding taxes on net share settlement of equity awards and payments under finance lease obligations.

### **Contractual Obligations and Commitments**

#### **Convertible Senior Notes**

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 Consolidated Financial Statements included elsewhere in this report.

#### **Leases**

On January 14, 2021, we entered into the Campus Lease with HC Hornet Way, LLC, a Delaware limited liability company (the "Landlord"), to house our Campus Headquarters. Although we are involved in the design of the tenant improvements of the Campus Headquarters, we do not have title or possession of the assets during construction. In addition, we do not have the ability to control the leased Campus Headquarters until each phase of the tenant improvements is complete. We contributed \$55.1 million and \$59.2 million in payments towards the construction of the Campus Headquarters in the years ended December 31, 2022 and 2021, respectively. These payments are initially recorded in "Prepaid lease costs, non-current" in the Company's consolidated balance sheet and will ultimately be recorded as a component of a right-of-use asset upon lease commencement for each phase of the lease. During 2022, the tenant improvements associated with Phase 1-A were completed and the underlying asset was delivered to us. As such, upon the commencement of Phase 1-A, we recognized a \$64.1 million right-of-use asset, which included the reclassification of \$27.7 million of the construction payments previously included in "Prepaid lease costs, non-current," and a \$36.6 million lease liability. Aggregate payments towards base rent over the initial lease term associated with the remaining phases not yet delivered to us will be approximately \$118.4 million.

Concurrent with our execution of the Campus Lease, as a security deposit, we delivered to the Landlord a letter of credit in the amount of \$12.5 million. The letter of credit is secured by a \$12.6 million deposit reflected in our consolidated balance sheet as "Restricted cash" as of December 31, 2022. See [Note 4](#), *Leases*, and [Note 10](#), *Commitments and Contingencies*, to the Notes to Consolidated Financial Statements included elsewhere in this report.

#### **China Investment and Lease Agreement**

On September 22, 2020, we and our subsidiary, BYND JX, entered into an investment agreement with the Administrative Committee (the "JX Committee") of the Jiaying 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 we have agreed to guarantee certain repayment obligations of BYND JX under such agreement.

During Phase 1, we agreed to invest \$10.0 million as the registered capital of BYND JX in the JXEDZ through an intercompany investment in BYND JX and BYND JX 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 agreed to lease and renovate a facility in the JXEDZ for a minimum of two years. In 2022, we amended the lease to extend the term for an additional five years without rent escalation. In the fourth quarter of 2021, BYND JX leased an approximately 12,000 square foot facility in Shanghai, China, for a period of eight years, which is used as a local research and development facility to support the local manufacturing operations.

In the event that we and BYND JX determine, in our 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 to \$40.0 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, we and BYND JX may determine, in our 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. See [Note 10](#), *Commitments and Contingencies*, to the Notes to Consolidated Financial Statements included elsewhere in this report.

In the year ended December 31, 2022 and 2021, we received \$0 and \$1.1 million, respectively, in subsidies related to our investment in BYND JX from JXEDZ Finance Bureau. As of December 31, 2022, we had invested \$22.0 million as the registered capital of BYND JX and advanced \$20.0 million to BYND JX. See [Note 10](#), *Commitments and Contingencies*, to the Notes to Consolidated Financial Statements included elsewhere in this report.

### ***The Planet Partnership***

On January 25, 2021, we entered into TPP, a joint venture with PepsiCo, Inc., to develop, produce and market innovative snack products made from plant-based protein. We recognized our share of the net losses in TPP in the amount of \$18.9 million and \$3.0 million for the year ended December 31, 2022 and 2021, respectively. For the years ended December 31, 2022 and 2021, we contributed our share of the investment in TPP of \$13.3 million and \$11.0 million, respectively. Subsequent to the year ended December 31, 2022, we contributed an additional \$3.3 million as our share of the additional investment in TPP.

In the fourth quarter of 2022, we began taking steps to restructure certain contracts and operating activities related to Beyond Meat Jerky. Such activities are expected to continue through most of 2023.

### ***Purchase Commitments***

On July 27, 2022, we entered into an agreement to purchase certain property on a neighboring site to our manufacturing facility in Europe located in Enschede, the Netherlands, for cash consideration of approximately €6.3 million, of which a €0.9 million deposit was made during 2022. The purchase is expected to close in the second half of 2023.

We have a multi-year agreement with Roquette for the supply of pea protein which expires on December 31, 2023. The plant-based protein sourced under the supply agreement is secured on a purchase order basis regularly, per specified minimum monthly and semi-annual quantities, throughout the term. We are not required to purchase plant based protein in amounts in excess of such specified minimum quantities; however the Company has the option to increase such minimum quantities for delivery. The total annual amount purchased each year by us must be at least the minimum amount specified in the agreement, which totals in the aggregate \$154.1 million over the term of the agreement. We also have the right to be indemnified by Roquette in certain circumstances. As of December 31, 2022, we had committed to purchase pea protein inventory totaling \$40.2 million in 2023.

As of December 31, 2022, we had \$84.6 million in fee commitments to manufacture products at a co-manufacturer's facility over a 5-year term (see [Note 10](#), *Commitments and Contingencies*, to the Notes to Consolidated Financial Statements included elsewhere in this report). In addition, as of December 31, 2022, we



had approximately \$28.8 million in purchase order commitments for capital expenditures primarily to purchase machinery and equipment, including the Enschede facility. Payments for these purchases will be due within twelve months of December 31, 2022.

The following table summarizes our significant contractual obligations as of December 31, 2022:

(in thousands)	Payments Due by Period				
	Total	Less Than One Year	1-3 Years	3-5 Years	More Than Five Years
Operating lease obligations <sup>(1)(2)</sup>	\$ 92,581	\$ 7,027	\$ 13,922	\$ 12,726	\$ 58,906
Financing lease obligations <sup>(3)</sup>	738	244	387	107	—
Convertible debt <sup>(4)</sup>	1,133,608	—	—	1,133,608	—
Purchase commitments—inventory <sup>(5)</sup>	40,156	40,156	—	—	—
Purchase commitments—assets <sup>(6)</sup>	28,785	28,785	—	—	—
Co-manufacturer commitments <sup>(7)</sup>	84,624	10,068	23,640	50,916	—
TPP <sup>(8)</sup>	3,250	3,250	—	—	—
Total	\$ 1,383,742	\$ 89,530	\$ 37,949	\$ 1,197,357	\$ 58,906

- (1) Includes lease payments for our former Manhattan Beach Project Innovation Center, obligations under the Campus Lease relating to Phase 1-A, our manufacturing facilities in Columbia, Missouri, our commercialization center in Commerce, California, and all other operating lease obligations. Subsequent to the year ended December 31, 2022, on February 14, 2023, the lease on our commercialization center in Commerce, California was terminated. See [Note 14, Subsequent Event](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.
- (2) Excludes obligations under Campus Lease, except for those relating to Phase 1-A. See [Note 10, Commitments and Contingencies](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.
- (3) Consists of payments under various financing leases for certain equipment.
- (4) Includes principal amount under our Notes issued March 2021. See [Note 7, Debt](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.
- (5) Consists of commitments to purchase pea protein inventory.
- (6) Consists of commitments to purchase property, plant and equipment, including the commitment to purchase the Enschede facility.
- (7) Consists of commitments to co-manufacturer.
- (8) Consists of 2023 investment in TPP.

## Segment Information

We have one operating segment and one reportable segment, as our CODM, who is our Chief Executive Officer, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance.

## Critical Accounting Policies and Estimates

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.

We believe that the estimates, assumptions and judgments involved in the accounting policies described below have the greatest potential impact on our financial statements because they involve the most difficult,

subjective or complex judgments about the effect of matters that are inherently uncertain. Therefore, we consider these to be our critical accounting policies. Accordingly, we evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates and assumptions. See [Note 2, Summary of Significant Accounting Policies](#), to the Notes to Consolidated Financial Statements included elsewhere in this report for information about these critical accounting policies as well as a description of our other accounting policies.

### **Revenue Recognition**

Our revenues are generated through sales of our products to distributors or customers. Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer have been satisfied and control has transferred. The Company's performance obligation is typically defined as the accepted purchase order, the direct-to-consumer order, or the contract, with the customer which requires the Company to deliver the requested products at agreed upon prices at the time and location of the customer's choice. The Company generally does not offer warranties or a right to return on the products it sells except in the instance of a product recall or other limited circumstances.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for fulfilling the performance obligation. Sales and other taxes the Company collects concurrent with the sale of products are excluded from revenue. The Company's normal payment terms vary by the type and location of its customers and the products offered. The time between invoicing and when payment is due is not significant. None of the Company's customer contracts as of December 31, 2022 contains a significant financing component.

The Company routinely offers sales discounts and promotions through various programs to its customers and consumers. These programs include rebates, temporary on-shelf price reductions, off-invoice discounts, retailer advertisements, product coupons and other trade activities. Provision for discounts and incentives are recorded in the same period in which the related revenues are recognized. 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. The offsetting charge is recorded as a reduction of revenues in the same period when the expense is incurred.

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. The incremental cost to obtain contracts was not material.

### **Inventories and Cost of Goods Sold**

Inventories are recorded at lower of cost or net realizable value. The Company accounts for inventory using the weighted average cost method. In addition to product cost, inventory costs include expenditures such as direct labor and certain supply and overhead expenses including in-bound shipping and handling costs incurred in bringing the inventory to its existing condition and location. Inventories are comprised primarily of raw materials, direct labor and overhead costs. Weighted average cost method is used to absorb raw materials, direct labor, and overhead into inventory. The Company reviews inventory quantities on hand and records a provision for excess and obsolete inventory based primarily on historical and forecasted demand, estimated shelf life of various raw materials and packaging, work in process and finished goods inventory, as well as the age of the inventory, among other factors.

### **Recently Adopted Accounting Pronouncements**

Please refer to [Note 2, Summary of Significant Accounting Policies](#), to the Notes to 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 7A. 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 our revolving credit facility. In the year ended December 31, 2021, we incurred \$0.3 million 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 consolidated statement of operations for the year ended December 31, 2021.

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 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***

We are exposed to risk related to the price and availability of our ingredients because our profitability is dependent on, among other things, our ability to anticipate and react to raw material and food costs. Currently, the main ingredient in our products is pea protein, which is sourced from peas grown in the United States, France and Canada. The prices of pea protein and other ingredients we use are subject to many factors beyond our control, such as the number and size of farms that grow yellow peas, the vagaries of the farming businesses, including poor harvests due to adverse weather conditions, natural disasters and pestilence, and changes in national and world economic conditions, including as a result of COVID-19. In addition, we purchase some ingredients and other materials offshore, and the price and availability of such ingredients and materials may be affected by political events or other conditions in these countries or tariffs or trade wars.

During the year ended December 31, 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 \$3.1 million, or a decrease of approximately \$3.1 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 December 31, 2022, we had a multi-year sales agreement with Roquette which expires in December 2023. See [Note 10, Commitments and Contingencies](#), to the Notes to Consolidated Financial Statements included elsewhere in this report.

### ***Foreign Currency Risk***

We are exposed to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries and transactions denominated in currencies other than a location's functional currency. Our foreign entities use their local currency as the functional currency. For these entities, we translate net assets into U.S. dollars at period end exchange rates, while revenue and expense accounts are translated at average exchange rates prevailing during the periods being reported. Resulting currency translation adjustments are included in "Accumulated other comprehensive income" and foreign currency transaction gains and losses are included in "Other, net." Transaction gains and losses on long-term intra-entity transactions are recorded as a component of "Other comprehensive loss." Transactions denominated in a

currency other than the reporting entity's functional currency may give rise to transaction gains and losses that impact our results of operations.

Our foreign exchange risk is primarily related to our intercompany balances denominated in various foreign currencies. We have exposure to the European Euro and the Chinese Yuan. Unrealized translation losses, net of tax, reported as cumulative translation adjustments through "Other comprehensive loss" were \$4.2 million and \$2.3 million for the years ended December 31, 2022 and 2021, respectively. Foreign currency transaction losses included in "Other, net" were \$4.9 million and \$0.2 million, respectively, in the years ended December 31, 2022 and 2021.

Based on the intercompany balances as of December 31, 2022, an assumed 5% or 10% adverse change to foreign exchange rates would result in a loss of approximately \$4.4 million or \$8.8 million, respectively, recorded in "Other, net."

### ***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 the costs of our inputs to date. Although difficult to quantify, we believe inflation is likely having an adverse effect on our end customers' ability to purchase our products, resulting in decreased sales. 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. For additional information, see *Risk Factors—Risks Related to Our Business—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.*

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Beyond Meat, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Beyond Meat, Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

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

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

### Critical Audit Matter

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

### Inventory — Provision for Excess and Obsolete Inventory — Refer to Notes 2 and 5 to the financial statements

#### *Critical Audit Matter Description*

The Company accounts for inventory using the weighted average cost method and records inventory at the lower of cost or net realizable value.

The inventory balance as of December 31, 2022, was \$235.7 million. The provision for excess and obsolete inventory recorded as of December 31, 2022, was \$17.8 million. The determination of the provision to be recorded for excess and obsolete inventory requires management to evaluate historical demand for and the age of existing inventory quantities on hand, as well as make significant estimates and assumptions regarding forecasts of future demand for the Company's products and the shelf life of various raw materials and packaging, work in process, and finished goods.

We identified the provision for excess and obsolete inventory as a critical audit matter because of the high degree of auditor judgment and effort required when performing audit procedures to evaluate management's estimates and assumptions described above due to their subjective nature.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the provision for excess and obsolete inventory included the following, among others:

- We obtained an understanding of the process and assumptions used by management to determine the provision for excess and obsolete inventory.
- We evaluated the appropriateness of key inputs supporting management's estimate, including historical demand levels, the age of existing quantities on hand, forecasts of future demand, and shelf life.
- We evaluated trends in the recorded inventory balance and inventory turnover ratio.
- We tested the mathematical accuracy of management's key calculations supporting the provision recorded.

/s/ Deloitte & Touche LLP

Los Angeles, California  
March 1, 2023

We have served as the Company's auditor since 2015.

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

	December 31,	
	2022	2021
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 309,922	\$ 733,294
Accounts receivable, net	34,198	43,806
Inventory	235,696	241,870
Prepaid expenses and other current assets	20,700	33,078
Assets held for sale	5,943	—
<b>Total current assets</b>	<b>606,459</b>	<b>1,052,048</b>
Restricted cash	12,627	—
Property, plant, and equipment, net	257,002	226,489
Operating lease right-of-use assets	87,595	26,815
Prepaid lease costs, non-current	85,472	59,188
Other non-current assets, net	10,744	6,836
Investment in unconsolidated joint venture	2,325	8,023
<b>Total assets</b>	<b>\$ 1,062,224</b>	<b>\$ 1,379,399</b>
<b>Liabilities and stockholders' (deficit) equity:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 55,300	\$ 69,040
Current portion of operating lease liabilities	3,812	4,458
Accrued expenses and other current liabilities	16,729	20,691
<b>Total current liabilities</b>	<b>\$ 75,841</b>	<b>\$ 94,189</b>
<b>Long-term liabilities:</b>		
Convertible senior notes, net	\$ 1,133,608	\$ 1,129,674
Operating lease liabilities, net of current portion	55,854	22,599
Finance lease obligations and other long term liabilities	469	442
<b>Total long-term liabilities</b>	<b>\$ 1,189,931</b>	<b>\$ 1,152,715</b>
Commitments and contingencies (Note 10)		
<b>Stockholders' (deficit) equity:</b>		
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 at December 31, 2022 and 2021; 63,773,982 and 63,400,899 shares issued and outstanding at December 31, 2022 and 2021, respectively	6	6
Additional paid-in capital	544,357	510,014
Accumulated deficit	(743,109)	(376,972)
Accumulated other comprehensive loss	(4,802)	(553)
<b>Total stockholders' (deficit) equity</b>	<b>\$ (203,548)</b>	<b>\$ 132,495</b>
<b>Total liabilities and stockholders' (deficit) equity</b>	<b>\$ 1,062,224</b>	<b>\$ 1,379,399</b>

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



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

	Year Ended December 31,		
	2022	2021	2020
Net revenues	\$ 418,933	\$ 464,700	\$ 406,785
Cost of goods sold	442,676	347,419	284,510
Gross (loss) profit	(23,743)	117,281	122,275
Research and development expenses	62,264	66,946	31,535
Selling, general and administrative expenses	239,505	209,474	133,655
Restructuring expenses	17,259	15,794	6,430
Total operating expenses	319,028	292,214	171,620
Loss from operations	(342,771)	(174,933)	(49,345)
Other expense, net:			
Interest expense	(3,966)	(3,648)	(2,576)
Other, net	(420)	(487)	(759)
Total other expense, net	(4,386)	(4,135)	(3,335)
Loss before taxes	(347,157)	(179,068)	(52,680)
Income tax expense	32	60	72
Equity in losses of unconsolidated joint venture	18,948	2,977	—
Net loss	\$ (366,137)	\$ (182,105)	\$ (52,752)
Net loss per share available to common stockholders—basic and diluted	\$ (5.75)	\$ (2.88)	\$ (0.85)
Weighted average common shares outstanding—basic and diluted	63,622,432	63,172,368	62,290,445

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

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

	Year Ended December 31,		
	2022	2021	2020
Net loss	\$ (366,137)	\$ (182,105)	\$ (52,752)
Other comprehensive loss, net of tax:			
Foreign currency translation (loss) gain, net of tax	(4,249)	(2,301)	1,748
Comprehensive loss, net of tax	\$ (370,386)	\$ (184,406)	\$ (51,004)

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

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

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Comprehensive Income (Loss)	Total
	Shares	Amount				
<b>Balance at December 31, 2019</b>	61,576,494	\$ 6	\$ 526,199	\$ (142,115)	\$ —	\$ 384,090
Net loss	—	—	—	(52,752)	—	(52,752)
Issuance of common stock under equity incentive plans, net	1,243,857	—	6,732	—	—	6,732
Share-based compensation for equity classified awards	—	—	27,279	—	—	27,279
Foreign currency translation adjustment	—	—	—	—	1,748	1,748
<b>Balance at December 31, 2020</b>	62,820,351	\$ 6	\$ 560,210	\$ (194,867)	\$ 1,748	\$ 367,097
Net loss	—	—	—	(182,105)	—	(182,105)
Issuance of common stock under equity incentive plans, net	580,548	—	5,055	—	—	5,055
Share-based compensation for equity classified awards	—	—	28,699	—	—	28,699
Purchase of capped calls related to convertible senior notes	—	—	(83,950)	—	—	(83,950)
Foreign currency translation adjustment	—	—	—	—	(2,301)	(2,301)
<b>Balance at December 31, 2021</b>	63,400,899	\$ 6	\$ 510,014	\$ (376,972)	\$ (553)	\$ 132,495
Net loss	—	—	—	(366,137)	—	(366,137)
Issuance of common stock under equity incentive plans, net	373,083	—	486	—	—	486
Share-based compensation for equity classified awards	—	—	33,857	—	—	33,857
Foreign currency translation adjustment	—	—	—	—	(4,249)	(4,249)
<b>Balance at December 31, 2022</b>	63,773,982	\$ 6	\$ 544,357	\$ (743,109)	\$ (4,802)	\$ (203,548)

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

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

	Year Ended December 31,		
	2022	2021	2020
<b>Cash flows from operating activities:</b>			
Net loss	\$ (366,137)	\$ (182,105)	\$ (52,752)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	32,582	21,663	13,299
Non-cash lease expense	5,167	3,418	2,341
Share-based compensation expense	33,857	27,698	27,279
Loss on sale of fixed assets	486	199	222
Amortization of debt issuance costs	3,934	3,322	256
Loss on extinguishment of debt	—	1,037	1,538
Equity in losses of unconsolidated joint venture	18,948	2,977	—
Unrealized loss on foreign currency transactions	5,106	—	—
<b>Net change in operating assets and liabilities:</b>			
Accounts receivable	9,063	(8,463)	4,516
Inventories	2,572	(122,666)	(38,863)
Prepaid expenses and other assets	11,595	(21,414)	(9,699)
Accounts payable	(10,826)	21,665	16,027
Accrued expenses and other current liabilities	(7,148)	13,961	(1,965)
Prepaid lease costs, non-current	(55,110)	(59,188)	—
Operating lease liabilities	(4,333)	(3,474)	(2,194)
Net cash used in operating activities	<u>\$ (320,244)</u>	<u>\$ (301,370)</u>	<u>\$ (39,995)</u>
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	\$ (70,475)	\$ (135,961)	\$ (57,696)
Asset acquisition	—	—	(15,482)
Purchases of property, plant and equipment held for sale	(2,821)	—	(2,288)
Proceeds from note receivable on assets previously held for sale	—	—	599
Payments for investment in joint venture	(13,250)	(11,000)	—
Payment of security deposits	(981)	(518)	(33)
Net cash used in investing activities	<u>\$ (87,527)</u>	<u>\$ (147,479)</u>	<u>\$ (74,900)</u>
<b>Cash flows from financing activities:</b>			
Proceeds from revolving credit facility	—	—	50,000
Proceeds from issuance of convertible senior notes	—	1,150,000	—
Purchase of capped calls related to convertible senior notes	—	(83,950)	—

(continued on the next page)

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

	Year Ended December 31,		
	2022	2021	2020
Debt issuance costs	—	(23,605)	(1,224)
Debt extinguishment costs	—	—	(1,200)
Repayment of revolving credit facility	—	(25,000)	(25,000)
Repayment of revolving credit line	—	—	(6,000)
Repayment of term loan	—	—	(20,000)
Repayment of equipment loan	—	—	(5,000)
Principal payments under finance lease obligations	(210)	(177)	(70)
Proceeds from exercise of stock options	1,626	8,135	9,007
Payments of minimum withholding taxes on net share settlement of equity awards	(1,140)	(3,081)	(2,275)
Net cash provided by (used in) financing activities	\$ 276	\$ 1,022,322	\$ (1,762)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (407,495)	\$ 573,473	\$ (116,657)
Cash, cash equivalents and restricted cash at the beginning of the period	733,294	159,127	275,988
Effect of exchange rate changes on cash	(3,250)	694	(204)
Cash, cash equivalents and restricted cash at the end of the period	\$ 322,549	\$ 733,294	\$ 159,127

**Supplemental disclosures of cash flow information:**

Cash paid (received) during the period for:			
Interest	\$ 10	\$ 348	\$ 2,564
Taxes	\$ 38	\$ (10)	\$ 18
Non-cash investing and financing activities:			
Non-cash additions to property, plant and equipment	\$ 3,507	\$ 5,239	\$ 10,719
Operating lease right-of-use assets obtained in exchange for lease liabilities	\$ 37,245	\$ 16,701	\$ 4,706
Reclassification of pre-paid lease costs to operating lease right-of-use assets	\$ 29,000	\$ —	\$ —
Non-cash addition to financing leases	\$ 280	\$ 580	\$ —
Note receivable from sale of assets held for sale	\$ —	\$ —	\$ 4,558
Reclassification of other current liability to additional paid-in capital in connection with the share-settled obligation	\$ —	\$ 2,535	\$ —

(concluded)

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

**BEYOND MEAT, INC. AND SUBSIDIARIES**  
**Notes to 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 promise, “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 meat, we can positively impact four growing global issues: human health, climate change, constraints on natural resources and animal welfare.

On September 7, 2018, the Company changed its name from Savage River, Inc. to Beyond Meat, Inc. On January 14, 2020, the Company registered its subsidiary, Beyond Meat EU B.V., in the Netherlands. On April 28, 2020, the Company registered its subsidiary, Beyond Meat (Jiaxing) Food Co., Ltd. (“BYND JX”), in the Zhejiang Province in China. On June 17, 2021, the Company incorporated its subsidiary, Beyond Meat Canada Inc., in Canada. On January 25, 2021, the Company entered into the Planet Partnership, LLC, a joint venture with PepsiCo, Inc., to develop, produce and market innovative snack and beverage products made from plant-based protein.

The Company’s primary production facilities are located in Columbia, Missouri, and Devault, Pennsylvania, and its research and development and administrative offices are located in El Segundo, California. The Company owns a manufacturing facility in Enschede, the Netherlands, where it produces its woven protein and dry blend flavor systems for shipment to local co-manufacturers, including one of the Company’s distributors who built a co-manufacturing facility in the Netherlands used for production of the Company’s finished goods.

In Jiaxing, China, the Company leases a manufacturing facility, where it produces its woven protein and houses end-to-end production. Renovations in the leased facility were substantially completed and trial production began in the first quarter of 2021. In the second quarter of 2021, several commercial trials of certain of the Company’s manufacturing processes were completed. Following the successful qualification of extrusion production capabilities in the third quarter of 2021 and the completion of International Food Safety System Certification (FSSC) 22000 and ISA Halal certification in the fourth quarter of 2021, the facility completed commercialization of end-to-end production at the end of 2021. In the fourth quarter of 2021, the Company also leased a facility in Shanghai, China, which is used as a local research and development facility to support the Company’s local manufacturing operations. In addition to its own production facilities, the Company uses co-manufacturers in various locations in the United States, Canada, the Netherlands and China.

In the third quarter of 2021, the Company completed the purchase of a facility in Columbia, Missouri, which is used primarily for warehousing and dry blending (ingredient handling). In the third quarter of 2021, the Company also assumed an operating lease for a building in Commerce, California to house its commercialization center. Subsequent to the year ended December 31, 2022, on February 14, 2023, the Company terminated this lease.

In addition to leasing its corporate headquarters and other general office space in El Segundo, California, the Company also leases a facility for its former Manhattan Beach Project Innovation Center in El Segundo, California.

On January 14, 2021, the Company entered into a lease agreement to house its corporate headquarters, lab and innovation space in El Segundo, California. In 2022, upon completion of the Phase1-A of the new

campus facility in El Segundo, the Company moved its Innovation team from the Manhattan Beach Project Innovation Center to the new campus facility.

The Company sells to a variety of customers in the retail and foodservice channels throughout the United States and internationally primarily through distributors who purchase, store, sell, and deliver the Company's products. In addition, the Company sells directly to customers in the retail and foodservice channels who handle their own distribution.

As of December 31, 2022, approximately 84% of the Company's assets were located in the United States.

#### ***Initial Public Offering***

On May 6, 2019, the Company completed its initial public offering ("IPO") of common stock in which it sold 11,068,750 shares. The shares began trading on the Nasdaq Global Select Market on May 2, 2019. The shares were sold at a public offering price of \$25.00 per share for net proceeds of approximately \$252.4 million, after deducting underwriting discounts and commissions of \$19.4 million and issuance costs of approximately \$4.9 million payable by the Company. Upon the closing of the IPO, all outstanding shares of the Company's convertible preferred stock automatically converted into 41,562,111 shares of common stock on a one-for-one basis, and warrants exercisable for convertible preferred stock were automatically converted into warrants exercisable for a total of 160,767 shares of common stock.

#### ***Secondary Public Offering***

On August 5, 2019, the Company completed a secondary public offering ("Secondary Offering") of common stock in which it sold 250,000 shares and the selling stockholders sold 3,487,500 shares. The shares were sold at a public offering price of \$160.00 per share for net proceeds to the Company of approximately \$37.4 million, after deducting underwriting discounts and commissions of \$1.5 million and issuance costs of approximately \$1.1 million payable by the Company. Total Secondary Offering issuance costs paid in 2019 were approximately \$2.2 million, of which approximately \$1.1 million was capitalized to reflect the costs associated with the issuance of new shares and offset against proceeds from the Secondary Offering. The Company did not receive any proceeds from the sale of common stock by the selling stockholders.

#### ***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, to a lesser extent, 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 considering the rapidly evolving landscape. 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. 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.

#### ***Emerging Growth Company Status***

Upon the completion of the Company's IPO, the Company elected to be an Emerging Growth Company ("EGC"), as defined in the Jumpstart Our Business Startups Act ("JOBS Act"). Effective December 31, 2020, the Company lost its EGC status and is now categorized as a Large Accelerated Filer based upon the current

market capitalization of the Company according to Rule 12b-2 of the Exchange Act. As a result, the Company must comply with all financial disclosure and governance requirements applicable to Large Accelerated Filers.

## **Note 2. Summary of Significant Accounting Policies**

### ***Basis of Presentation***

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), and include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated. Certain amounts in the consolidated financial statements of prior years have been reclassified to conform to the current year presentation.

### ***Fiscal Year***

The Company operates 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. The Company's fiscal year always begins on January 1 and ends on December 31. As a result, the Company's first and fourth fiscal quarters may have more or fewer days included than a traditional 91-day fiscal quarter.

### ***Segment Information***

The Company has one operating segment and one reportable segment, as the Company's chief operating decision maker, who is the Company's Chief Executive Officer, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance.

### ***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; the valuation of the fair value of common stock and preferred stock used in the remeasurement of warrants and liabilities; 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.

### ***Comprehensive Loss***

Comprehensive loss includes unrealized gains (losses) on the Company's foreign currency translation adjustments for the years ended December 31, 2022, 2021 and 2020. Income taxes on the unrealized losses are not material.

### ***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. 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. See [Note 7](#). The Company accounts for the Notes under Accounting Standards Update (“ASU”) No. 2020-06, “Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity” (ASU 2020-06”), which the Company early adopted in the first quarter of 2021 concurrent with the issuance of the Notes. The Company records the Notes in “Long-term liabilities” at face value net of issuance costs. If any of the conditions to the convertibility of the Notes is satisfied, or the Notes become due within one year, then the Company may be required under applicable accounting standards to reclassify the liability carrying value of the Notes as a current, rather than a long-term, liability.

#### ***Capped Call Transactions***

Capped call transactions cover the aggregate number of shares of the Company’s common stock that will initially underlie the Notes, and generally reduce potential dilution to the Company’s common stock upon any conversion of Notes and/or offset any cash payments the Company may make in excess of the principal amount of the converted Notes, as the case may be, with such reduction and/or offset subject to a cap, based on the cap price of the capped call transactions. The Company determined that the freestanding capped call option contracts qualify as equity under the accounting guidance on indexation and equity classification, and recognized the contract by recording an entry to “Additional paid-in capital” (“APIC”) in stockholders’ equity in its consolidated balance sheet. The Company also determined that the capped call option contracts meet the definition of a derivative under Accounting Standards Codification (“ASC”) Topic 815, “Derivatives and Hedging” (“ASC 815”), but are not required to be accounted for as a derivative as they meet the scope exception outlined in ASC 815. Instead the capped call options are recorded in APIC and not remeasured.

#### ***Issuance Costs***

Issuance costs related to the Notes offering were capitalized and offset against proceeds from the Notes. Issuance costs consist of legal and other costs related to the issuance of the Notes and are amortized to interest expense over the term of the Notes. Total issuance costs capitalized in the year ended December 31, 2021 were approximately \$23.6 million, of which none remained unpaid as of December 31, 2021. There were \$16.4 million and \$20.3 million in unamortized issuance costs related to the Notes as of December 31, 2022 and 2021, respectively.

#### ***Foreign Currency***

The Company’s foreign entities use their local currency as the functional currency. For these entities, the Company translates net assets into U.S. dollars at period end exchange rates, while revenue and expense accounts are translated at average exchange rates prevailing during the periods being reported. Resulting currency translation adjustments are included in “Accumulated other comprehensive income” and foreign currency transaction gains and losses are included in “Other, net.” Transaction gains and losses on long-term intra-entity transactions are recorded as a component of “Other comprehensive loss.” Transactions denominated in a currency other than the reporting entity’s functional currency may give rise to transaction gains and losses that impact the Company’s results of operations.

Foreign currency translation loss, net of tax, reported as cumulative translation adjustments through “Other comprehensive loss” was \$4.2 million and \$2.3 million, respectively, in the years ended December 31, 2022 and 2021.

Realized and unrealized foreign currency transaction (losses) gains included in “Other, net” were \$(4.9) million, \$(0.2) million and \$0.2 million, respectively, in the years ended December 31, 2022, 2021 and 2020.

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

The fair value measurement accounting guidance creates a fair value hierarchy to prioritize the inputs used to measure fair value into three categories. A financial instrument's level within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement, where Level 1 is the highest and Level 3 is the lowest.

The three levels are defined as follows:

- *Level 1*—Unadjusted quoted prices in active markets accessible by the reporting entity for identical assets or liabilities. Active markets are those in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- *Level 2*—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which significant value drivers are observable.
- *Level 3*—Valuations derived from valuation techniques in which significant value drivers are unobservable.

The Company's financial instruments include cash equivalents, accounts receivable, accounts payable, and accrued expenses, for which the carrying amounts approximate fair value due to the short-term maturity of these financial instruments. The Company's convertible notes are carried at face value less the unamortized debt issuance costs (see [Note 7](#)).

The Company had no financial instruments measured at fair value on a recurring basis as of December 31, 2020, other than the liability classified share-settled obligation to one of the Company's executive officers (see [Note 9](#)) which represented a Level 1 financial instrument. The executive officer separated from the Company effective August 27, 2021. As a result, the fourth quarterly tranche of the liability classified share-settled obligation was not earned and canceled. As of December 31, 2022 and 2021 no liability remained for this liability classified share-settled obligation.

There were no transfers of financial assets or liabilities into or out of Level 1, Level 2 or Level 3 in the years ended December 31, 2022, 2021 or 2020.

### ***Cash and Cash Equivalents***

The Company maintains cash balances at three financial institutions in the United States. The cash balances may, at times, exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation or FDIC up to \$250,000. The Company considers all highly liquid investments with original maturity dates of 90 days or less to be cash equivalents. Cash equivalents include approximately 86% in money market accounts with approximately 10% in demand deposits and 4% in restricted cash.

### ***Restricted Cash***

Restricted cash includes cash held as collateral for a stand-alone letter of credit agreement related to normal business transactions. This agreement requires the Company to maintain a specified amount of cash as collateral in a segregated account to support the letter of credit issued thereunder.

### ***Accounts Receivable***

The Company records accounts receivable at net realizable value. This value includes an appropriate allowance for estimated uncollectible accounts to reflect any anticipated losses on the accounts receivable balances and recorded in allowance for doubtful accounts. Allowance for doubtful accounts is calculated based on the Company's history of write-offs, level of past due accounts, and relationships with and economic status of the Company's distributors or customers.

The Company had \$1.4 million and \$1.3 million allowance for doubtful accounts as of December 31, 2022 and 2021, respectively.

#### ***Inventories and Cost of Goods Sold***

Inventories are recorded at lower of cost or net realizable value. The Company accounts for inventory using the weighted average cost method. In addition to product cost, inventory costs include expenditures such as direct labor and certain supply and overhead expenses including in-bound shipping and handling costs incurred in bringing the inventory to its existing condition and location. Inventories are comprised primarily of raw materials, direct labor and overhead costs. Weighted average cost method is used to absorb raw materials, direct labor, and overhead into inventory. The Company reviews inventory quantities on hand and records a provision for excess and obsolete inventory based primarily on historical and forecasted demand, estimated shelf life of various raw materials and packaging, work in process and finished goods inventory, as well as the age of the inventory, among other factors.

#### ***Property, Plant and Equipment***

Property, plant and equipment are carried at cost less accumulated depreciation and are depreciated using the straight-line method over the following estimated useful lives:

Land	Not amortized
Buildings	30 years
Leasehold improvements	Shorter of lease term or estimated useful life
Furniture and fixtures	3 years
Manufacturing equipment	5 to 10 years
Research and development equipment	5 to 10 years
Software and computer equipment	3 years
Vehicles	5 years

Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the asset or the remaining lease term. When assets are sold or retired, the asset and related accumulated depreciation are removed from the respective account balances and any gain or loss on disposal is included in "Loss from operations." Expenditures for repairs and maintenance are charged directly to expense when incurred. See [Note 6](#).

#### ***Accounting for Acquisition***

The Company follows the guidance in ASC 805, "Business Combinations," for determining whether an acquisition meets the definition of a business combination or asset acquisition. The acquired assets may include, but are not limited to land, building, building improvements, manufacturing equipment and assembled work force.

For acquisitions that are accounted for as acquisitions of assets, the Company records the acquired tangible and intangible assets and assumed liabilities, if any, based on each asset's and liability's relative fair value at the acquisition date to the total purchase price plus capitalized acquisition costs. The method for determining relative fair value varies depending on the type of asset.

The Company has completed one acquisition to date.

#### ***Impairment of Long-Lived Assets***

Long-lived assets, including property and equipment, are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable. When events or circumstances indicate that impairment may be present, management evaluates

the probability that future undiscounted net cash flows received will be less than the carrying amount of the asset. If projected future undiscounted cash flows are less than the carrying value of an asset, then such assets are written down to their fair values. The Company concluded that no long-lived assets were impaired during the fiscal years ended December 31, 2022, 2021 and 2020.

### **Income Taxes**

The Company is subject to federal and state income taxes. The Company uses the asset and liability method of accounting for income taxes as set forth in the authoritative guidance for accounting for income taxes. Under this method, the Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the respective carrying amounts and tax basis of assets and liabilities. A valuation allowance is established against the portion of deferred tax assets that the Company believes will not be realized on a more likely than not basis.

With respect to uncertain tax positions, the Company recognizes in its financial statements those tax positions determined to be more likely than not of being sustained upon examination, based on the technical merits of the positions. The Company's policy is to recognize, when applicable, interest and penalties on uncertain tax positions as part of income tax expense. See [Note 11](#).

### **Leases**

The Company leases certain equipment used for research and development and operations under both finance and operating lease agreements. An asset and a corresponding liability for the finance lease obligations are established for the cost of a finance lease. Finance lease assets are included in "Property, plant and equipment, net" in the Company's consolidated balance sheets.

Operating leases include lease arrangements for the Company's corporate offices, the new Campus Lease (see [Note 4](#)), the former Manhattan Beach Project Innovation Center, manufacturing facilities, warehouses, vehicles and, to a lesser extent, equipment. Operating leases with a term greater than one year are recorded on the consolidated balance sheets as operating lease right-of-use assets and operating lease liabilities at the commencement date. Operating lease assets represent the right to use an underlying asset for the lease term, and operating lease liabilities represent the obligation to make lease payments arising from the lease.

The Company records these balances initially at the present value of future minimum lease payments calculated using the Company's incremental borrowing rate and expected lease term. The Company estimates the incremental borrowing rate for each operating lease based on prevailing market rates for collateralized debt in a similar economic environment with similar payment terms and maturity dates commensurate with the terms of the lease. Certain adjustments to the operating lease right-of-use assets may be required for items such as initial direct costs paid or incentives received. Certain leases contain variable payments, which are expensed as incurred and not included in the Company's operating lease right-of-use assets and operating lease liabilities. These amounts primarily include payments for maintenance, utilities, taxes and insurance on the Company's corporate, research and development, and manufacturing facilities and warehouse leases and are excluded from the present value of the Company's lease obligations. 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 does not have residual value guarantees or material restrictive covenants associated with its leases.

Upon adoption of ASU 2016-02, the Company elected to combine lease and non-lease components on all new or modified leases into a single lease component, for all classes of assets other than the co-manufacturing class of assets, which the Company recognizes over the expected term on a straight-line expense basis. The Company elected to separate the lease and non-lease components on all new or modified operating leases for the co-manufacturing class of assets for the purpose of recording operating lease right-of-use assets and operating lease liabilities. Prior to fiscal 2020, the Company accounted for leases under ASC 840 and did not record operating leases on its consolidated balance sheets. See [Note 4](#).

When the Company purchases property that it was previously leasing under an operating lease, the Company de-recognizes the right-of-use asset and lease liability and recognizes the difference between the purchase price and the carrying amount of the lease liability immediately before the purchase as an adjustment to the carrying value of the asset. The Company allocates the purchase price to the assets acquired based upon their relative values.

### **Contingencies**

The Company is subject to a range of claims, lawsuits, and administrative proceedings that arise in the ordinary course of business. The Company accrues a liability (which amount includes litigation costs expected to be incurred) and charges operations for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated, in accordance with the recognition criteria of the Financial Accounting Standards Board ("FASB") ASC 450, *Contingencies*. Estimating liabilities and costs associated with these matters require significant judgment based upon the professional knowledge and experience of management and its legal counsel. See [Note 10](#).

### **Revenue Recognition**

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"), which, along with subsequent ASUs, amended the existing accounting standards for revenue recognition ("Topic 606"). This guidance is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled to receive when products are transferred to customers. ASU 2014-09 was effective for the Company beginning January 1, 2019. The majority of the Company's contracts with customers generally consist of a single performance obligation to transfer promised goods. Based on the Company's evaluation and review of its contracts with customers, the timing and amount of revenue recognized based on ASU 2014-09 is consistent with the Company's revenue recognition policy under previous guidance. The Company has therefore concluded that the adoption of ASU 2014-09 did not have a material impact on its financial position, results of operations, or cash flows.

The Company's revenues are generated through sales of its products to distributors or customers. Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer have been satisfied and control has transferred. The Company's performance obligation is typically defined as the accepted purchase order or the contract with the customer which requires the Company to deliver the requested products at agreed upon prices at the time and location of the customer's choice. The Company generally does not offer warranties or a right to return on the products it sells except in the instance of a product recall or other limited circumstances.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for fulfilling the performance obligation. Sales and other taxes the Company collects concurrent with the sale of products are excluded from revenue. The Company's normal payment terms vary by the type and location of its customers and the products offered. The time between invoicing and when payment is due is not significant. None of the Company's customer contracts as of December 31, 2022 contains a significant financing component.

The Company routinely offers sales discounts and promotions through various programs to its customers and consumers. These programs include rebates, temporary on-shelf price reductions, off-invoice discounts, retailer advertisements, product coupons and other trade activities. Provision for discounts and incentives are recorded in the same period in which the related revenues are recognized. 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 \$4.6 million and \$3.6 million as of December 31, 2022 and 2021, respectively. The offsetting charge is recorded as a reduction of revenues in the same period when the expense is incurred.

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. The incremental cost to obtain contracts was not material.

**Presentation of Net Revenues by Channel**

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

	Year Ended December 31,		
	2022	2021	2020
<b>(in thousands)</b>			
U.S.:			
Retail	\$ 234,744	\$ 243,360	\$ 264,111
Foodservice	69,289	76,475	60,763
U.S. net revenues	304,033	319,835	324,874
International:			
Retail	60,907	81,483	36,472
Foodservice	53,993	63,382	45,439
International net revenues	114,900	144,865	81,911
Net revenues	\$ 418,933	\$ 464,700	\$ 406,785

One distributor accounted for approximately 12% of the Company's gross revenues in 2022; two distributors accounted for approximately 12% and 11% of the Company's gross revenues in 2021; and one customer accounted for approximately 13% of the Company's gross revenues in 2020. No other distributor or customer accounted for more than 10% of the Company's gross revenues in 2022, 2021 or 2020.

**Earnings (Loss) Per Share**

Earnings (loss) per share ("EPS") represents net income available to common stockholders divided by the weighted average number of common shares outstanding for the period. Diluted EPS represents net income available to common stockholders divided by the weighted-average number of common shares outstanding, inclusive of the dilutive impact of potential common shares outstanding during the period. Such potential common shares include options, unvested restricted stock, restricted stock units ("RSUs"), contracts classified as assets or liabilities that are required or assumed to be share-settled under the two-class method, warrants and convertible preferred stock.

The Company calculates basic and diluted EPS available to common stockholders in conformity with the two-class method required for companies with participating securities. Pursuant to ASU 2020-06, the Company applies the more dilutive of the if-converted method and the two-class method to its Notes. The Company considers all series of convertible preferred stock issued and outstanding prior to the IPO to be participating securities. Under the two-class method, the net loss available to common stockholders was not allocated to the convertible preferred stock as the holders of convertible preferred stock issued and outstanding prior to the IPO did not have a contractual obligation to share in losses. Computation of EPS for the years ended December 31, 2021 and 2020 also excludes adjustments under the two-class method relating to a liability classified, share-settled obligation to an executive officer to deliver a variable number of shares based on a fixed monetary amount because the shares to be delivered are not participating securities as they do not have voting rights and are not entitled to participate in dividends until they are issued.

Nonvested restricted stock awards (referred to as participating securities) are excluded from the dilutive impact of common equivalent shares outstanding in accordance with authoritative guidance under the two-class method. The nonvested restricted stockholders are entitled to participate in dividends declared on common

stock as if the shares were fully vested and hence nonvested restricted stock shares are deemed to be participating securities. Under the two-class method, net income, but not net loss, available to nonvested restricted stockholders is excluded from net income available to common stockholders for purposes of calculating basic and diluted EPS. Net loss available to common stockholders is not allocated to unvested restricted stock as the holders of unvested restricted stock do not have a contractual obligation to share in losses. In periods when the Company records net loss, all potential common shares are excluded in the computation of EPS because their inclusion would be anti-dilutive. See [Note 12](#).

#### ***Prepaid Expenses***

Prepaid expenses primarily include prepaid insurance and other prepaid vendor costs, which are expensed in the period to which they relate.

#### ***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 consolidated balance sheet. The Company recognizes its portion of the investee's results in "Equity in losses of unconsolidated joint venture" in its consolidated statement of operations.

#### ***Selling, General and Administrative ("SG&A") Expenses***

SG&A expenses are primarily comprised of selling, marketing expenses 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 and non-research and development 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 donations, product samples and sales aids incurred to acquire new customers, retain existing customers and build brand awareness. Administrative expenses include expenses related to management, accounting, legal, IT and other office functions. Advertising costs are expensed as incurred. Advertising costs in the years ended December 31, 2022, 2021 and 2020 were \$20.6 million, \$12.1 million and \$0.3 million, respectively. Non-advertising related components of the Company's total marketing expenditures primarily include costs associated with consumer promotions, product sampling and sales aids, which are also included in SG&A.

#### ***Shipping and Handling Costs***

The Company does not bill its distributors or customers shipping and handling fees. The Company's products are predominantly shipped to its distributors or customers as "FOB Destination," with control of the products transferred to the customer at the destination. In-bound shipping and handling costs incurred in manufacturing a product are included in inventory and reflected in cost of goods sold when the sale of that product is recognized. Outbound shipping and handling costs are considered as fulfillment costs and are recorded in SG&A expenses. Outbound shipping and handling costs included in SG&A expenses in 2022, 2021 and 2020 were \$17.6 million, \$19.1 million and \$11.9 million, respectively.

#### ***Research and Development Expenses***

Research and development costs, which includes enhancements to existing products and new product development, are expensed in the period incurred. Research and development expenses primarily consist of personnel and related expenses for the Company's research and development staff, including salaries, benefits, bonuses, share-based compensation, scale-up expenses and depreciation and amortization expense on research and development assets, and facility lease costs. Research and development expenses in the years ended December 31, 2022, 2021 and 2020, were \$62.3 million, \$66.9 million and \$31.5 million, respectively.



### **Share-Based Compensation**

The Company measures all share-based compensation cost at the grant date, based on the fair values of the awards that are ultimately expected to vest, and recognizes that cost as an expense in its consolidated statements of operations over the requisite service period. The Company estimates the fair value of option awards using the Black-Scholes option valuation model, which requires management to make certain assumptions for estimating the fair value of stock options at the date of grant including the fair value and projected volatility of the underlying common stock and the expected term of the award. The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimates, in management's opinion, the existing models may not necessarily provide a reliable single measure of the fair value of the Company's stock options. Although the fair value of stock options is determined using an option valuation model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

In addition, the Company estimates the expected impact of forfeited awards and recognizes share-based compensation cost only for those awards ultimately expected to vest. If actual forfeiture rates differ materially from the Company's estimates, share-based compensation expense could differ significantly from the amounts the Company has recorded in the current period. The Company periodically reviews actual forfeiture experience and will revise its estimates, as necessary. The Company will recognize as compensation cost the cumulative effect of the change in estimated forfeiture rates on current and prior periods in earnings of the period of revision. As a result, if the Company revises its assumptions and estimates, the Company's share-based compensation expense could change materially in the future. See [Note 9](#).

### **Employee Benefit Plan**

On January 1, 2017 the Company initiated a 401(k) retirement saving plan ("401-K Plan") for the benefit of eligible employees. Under terms of this plan, eligible employees are able to make contributions of their wages on a tax-deferred basis. The Company has incurred \$2.9 million, \$1.5 million and \$0.7 million in matching contribution to the 401-K Plan in 2022, 2021 and 2020, respectively.

### **Restructuring Plan**

The Company accounts for exit or disposal activities in accordance with ASC 420, "Exit or Disposal Cost Obligations." The Company defines a business restructuring as an exit or disposal activity that includes but is not limited to a program which is planned and controlled by management and materially changes either the scope of a business or the manner in which that business is conducted. Business restructuring charges may include (i) contract termination costs and (ii) other related costs associated with exit or disposal activities.

Contract termination costs include costs to terminate a contract or costs that will continue to be incurred under the contract without benefit to the Company. A liability is recognized and measured at its fair value when the Company either terminates the contract or ceases using the rights conveyed by the contract. See [Note 3](#).

### **Recently Adopted Accounting Pronouncements**

None.

### **New 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 accordance with the Company's policy of reviewing long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, the Company determined that as of May 23, 2017, the date the Company notified the co-manufacturer of its decision to terminate the Agreement, the assets held in possession of the co-manufacturer were no longer recoverable. In 2022, 2021 and 2020, the Company recorded \$17.3 million, \$15.8 million and \$6.4 million, respectively, in restructuring expenses related to this dispute, which consisted primarily of legal and other expenses. As of December 31, 2022 and 2021, the Company had \$0.7 million and \$2.7 million, respectively, in accrued unpaid liabilities associated with this contract termination. On October 18, 2022, the parties to this dispute entered into a confidential written settlement agreement and mutual release in connection with this matter. See [Note 10](#) for further information.

#### **Note 4. Leases**

Leases are classified as either finance leases or operating leases based on criteria in ASC 842. The Company has operating leases for its corporate offices, the Campus Lease, its former Manhattan Beach Project Innovation Center, its manufacturing facilities, warehouses and vehicles, and to a lesser extent, certain equipment and finance leases. Such leases generally have original lease terms between 2 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 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 (the "Campus Headquarters") in El Segundo, California. Although the Company is involved in the design of the tenant improvements of the Campus Headquarters, 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 Campus Headquarters until each phase of the tenant improvements is complete. The Company contributed \$55.1 million and \$59.2 million in payments towards the construction of the Campus Headquarters in the year ended December 31, 2022 and 2021, respectively. These payments are initially recorded in "Prepaid lease costs, non-current" in the Company's consolidated balance sheets and will ultimately be reclassified as a component of a right-of-use asset upon lease commencement for each phase of the lease. On September 15, 2022, the tenant improvements associated with Phase 1-A were completed, and the underlying asset was delivered to the Company. As such, upon commencement of Phase 1-A, the Company recognized a \$64.1 million right-of-use asset, which included the reclassification of \$27.7 million of the construction payments previously included in "Prepaid lease costs, non-current," and a \$36.6 million lease liability. Therefore, Phase 1-A of the Campus Lease is included in the tables below. The tables below also include the Company's lease on the commercialization center in Commerce, California, which was terminated subsequent to the year ended December 31, 2022, on February 14, 2023.

**BEYOND MEAT, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (continued)**

Lease costs for operating and finance leases were as follows:

<b>(in thousands)</b>	<b>Statement of Operations Location</b>	<b>Year Ended December 31, 2022</b>	<b>Year Ended December 31, 2021</b>
<b>Operating lease cost:</b>			
Lease cost	Cost of goods sold	\$ 1,688	\$ 2,583
Lease cost	Research and development expenses	3,972	652
Lease cost	Selling, general and administrative expenses	1,430	961
Variable lease cost <sup>(1)</sup>	Cost of goods sold	204	40
Variable lease cost <sup>(1)</sup>	Research and development expenses	333	—
Variable lease cost <sup>(1)</sup>	Selling, general and administrative expenses	1,920	—
Operating lease cost		<u>\$ 9,547</u>	<u>\$ 4,236</u>
<b>Short- lease cost:</b>			
Short-term lease cost	Cost of goods sold	\$ 14	\$ —
Short-term lease cost	Research and development expenses	60	—
Short-term lease cost	Selling, general and administrative expenses	406	222
Short-term lease cost		<u>480</u>	<u>222</u>
<b>Finance lease cost:</b>			
Amortization of right-of use assets	Cost of goods sold	\$ 203	177
Amortization of right-of use assets	Research and development expenses	4	\$ —
Interest on lease liabilities	Interest expense	22	\$ —
Finance lease cost		<u>\$ 229</u>	<u>\$ 177</u>
Total lease cost		<u>\$ 10,256</u>	<u>\$ 4,635</u>

(1) Variable lease cost primarily consists of common area maintenance, such as cleaning and repairs.

**BEYOND MEAT, INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements (continued)**

Supplemental balance sheet information related to leases are as follows:

<b>(in thousands)</b>	<b>Balance Sheet Location</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>			
Operating leases	Operating lease right-of-use assets	\$ 87,595	\$ 26,815
Finance leases, net	Property, plant and equipment, net	688	615
<b>Total lease assets</b>		<b>\$ 88,283</b>	<b>\$ 27,430</b>
<b>Liabilities</b>			
Current:			
Operating lease liabilities	Current portion of operating lease liabilities	\$ 3,812	\$ 4,458
Finance lease liabilities	Accrued expenses and other current liabilities	224	182
Long-term:			
Operating lease liabilities	Operating lease liabilities, net of current portion	55,854	22,599
Finance lease liabilities	Finance lease obligations and other long-term liabilities	469	442
<b>Total lease liabilities</b>		<b>\$ 60,359</b>	<b>\$ 27,681</b>

The following is a schedule by year of the maturities of lease liabilities with original terms in excess of one year, as of December 31, 2022:

<b>(in thousands)</b>	<b>December 31, 2022</b>	
	<b>Operating Leases</b>	<b>Finance Leases</b>
2023	\$ 7,027	\$ 244
2024	7,193	209
2025	6,729	178
2026	6,612	72
2027	6,114	35
Thereafter	58,906	—
<b>Total undiscounted future minimum lease payments</b>	<b>92,581</b>	<b>738</b>
Less imputed interest	(32,915)	(45)
<b>Total discounted future minimum lease payments</b>	<b>\$ 59,666</b>	<b>\$ 693</b>

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

	<b>December 31, 2022</b>	
	<b>Operating Leases<sup>(1)</sup></b>	<b>Finance Leases</b>
Weighted average remaining lease term (years)	12.8	3.4
Weighted average discount rate	6.2 %	3.6 %

**Note 5. Inventories**

Major classes of inventory were as follows:

(in thousands)	December 31,	
	2022	2021
Raw materials and packaging	\$ 139,509	\$ 129,974
Work in process	37,001	50,227
Finished goods	59,186	61,669
Total	\$ 235,696	\$ 241,870

The Company wrote off \$22.6 million, \$12.5 million and \$10.8 million in excess and obsolete inventories and recognized that expense in cost of goods sold in its consolidated statements of operations for the years ended December 31, 2022, 2021 and 2020, respectively. The Company recorded \$1.0 million, \$0.8 million, and \$0, respectively, in write down of inventory to lower of cost or net realizable value at December 31, 2022, 2021 and 2020.

**Note 6. Property, Plant and Equipment**

The Company records property, plant, and equipment at cost and includes finance lease assets in "Property, plant and Equipment, net" in its consolidated balance sheets. A summary of property, plant, and equipment as of December 31, 2022 and 2021, is as follows:

(in thousands)	December 31,	
	2022	2021
Manufacturing equipment	\$ 171,532	\$ 115,412
Research and development equipment	16,948	16,837
Leasehold improvements	22,740	20,250
Building	22,675	22,937
Finance leases	1,093	867
Software	2,377	1,297
Furniture and fixtures	866	868
Vehicles	584	584
Land	5,446	5,434
Assets not yet placed in service	93,152	95,455
Total property, plant and equipment	\$ 337,413	\$ 279,941
Less: accumulated depreciation and amortization	80,411	53,452
Property, plant and equipment, net	\$ 257,002	\$ 226,489

Depreciation and amortization expense in 2022, 2021 and 2020 was \$32.6 million, \$21.7 million and \$13.3 million, respectively. Of the total depreciation and amortization expense in 2022, 2021 and 2020, \$28.0 million, \$17.7 million and \$10.1 million, respectively, were recorded in cost of goods sold, \$4.0 million, \$3.7 million and \$3.1 million, respectively, were recorded in research and development expenses, and \$0.6 million, \$0.3 million and \$0.1 million, respectively, were recorded in SG&A expenses, in the Company's consolidated statements of operations.

The Company had \$5.9 million and \$0 in property, plant and equipment concluded to meet the criteria for assets held for sale as of December 31, 2022 and 2021, respectively. Amounts previously 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 is included in "Other non-current assets, net" as of December 31, 2022.

**Note 7. Debt**

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

<b>(in thousands)</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
0% Convertible senior notes	\$ 1,150,000	\$ 1,150,000
Debt issuance costs	(16,392)	(20,326)
<b>Total debt outstanding</b>	<b>\$ 1,133,608</b>	<b>\$ 1,129,674</b>
Less: current portion of long-term debt	—	—
<b>Long-term debt</b>	<b>\$ 1,133,608</b>	<b>\$ 1,129,674</b>

**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. 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 initial conversion price of the Notes is \$206.00 per share of common stock, which represents a premium of approximately 47.5% over the closing price of the Company’s common stock on March 2, 2021. The Notes will mature on March 15, 2027, unless earlier repurchased, redeemed or converted. The Notes were issued pursuant to, and are governed by, an indenture, dated as of March 5, 2021 (the “Indenture”), between the Company and U.S. Bank National Association, as trustee (the “Trustee”). The Company used \$84.0 million of the net proceeds from the sale of the Notes to fund the cost of entering into capped call transactions, described below. 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.

The Notes are senior, unsecured obligations and are (i) equal in right of payment with the Company’s senior, unsecured indebtedness; (ii) senior in right of payment to the Company’s indebtedness that is expressly subordinated to the Notes; (iii) effectively subordinated to the Company’s secured indebtedness, to the extent of the value of the collateral securing that indebtedness; and (iv) structurally subordinated to all existing and future indebtedness and other liabilities, including trade payables, and (to the extent the Company is not a holder thereof) preferred equity, if any, of the Company’s subsidiaries.

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.

The initial conversion rate is 4.8544 shares of common stock per \$1,000 principal amount of the Notes, which represents an initial conversion price of \$206.00 per share of common stock. The conversion rate and conversion price are subject to customary adjustments upon the occurrence of certain events as described in the Indenture.

The holder may convert the Notes during the five consecutive business days immediately after any ten consecutive trading day period, if the trading price per \$1,000 principal amount of Notes, as determined following a request by a holder, for each trading day of the measurement period was less than ninety eight percent (98%) of the product of the last report sale price per share of common stock on such trading day and the conversion rate on such trading day.

The holder can convert its Notes during any calendar quarter, commencing after the calendar quarter ending on June 30, 2021, provided the last reported sale price of the common stock for at least 20 trading days is greater than or equal to 130% of the conversion price, during the 30 consecutive trading days ending on the last trading day of a calendar quarter.

Before December 15, 2026, noteholders have the right to convert their Notes upon the occurrence of certain events. From and after December 15, 2026, noteholders may convert their Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date. The Company has the right to elect to settle conversions either in cash, shares or in a combination of cash and shares of its common stock. However, upon conversion of any Notes, the conversion value, which will be determined over an "Observation Period" (as defined in the Indenture) consisting of 20 trading days, will be paid in cash up to at least the principal amount of the Notes being converted.

The Notes will be redeemable, in whole or in part, at the Company's option at any time, and from time to time, on or after March 20, 2024 and on or before the 20th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the Notes to be redeemed, plus accrued and unpaid special interest and additional interest, if any, to, but excluding, the redemption date, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the conversion price on (i) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date the Company sends the related redemption notice; and (ii) the trading day immediately before the date the Company sends such notice. In addition, calling any Note for redemption will constitute a "Make-Whole Fundamental Change" (as defined in the Indenture) with respect to that Note, in which case the conversion rate applicable to the conversion of that Note will be increased in certain circumstances if it is converted after it is called for redemption.

The Company must repay the note principal in cash, but may elect to settle the conversion value either in cash, shares or in a combination of cash and shares of its common stock.

If certain corporate events that constitute a "Fundamental Change" (as defined in the Indenture) occur, then, subject to limited exceptions, noteholders may require the Company to repurchase their Notes at a cash repurchase price equal to the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest and additional interest, if any, to, but excluding, the fundamental change repurchase date. The definition of Fundamental Change includes certain business combination transactions involving the Company and certain de-listing events with respect to the Company's common stock.

The Notes have customary provisions relating to the occurrence of "Events of Default" (as defined in the Indenture), which include the following: (i) certain payment defaults on the Notes (which, in the case of a default in the payment of special interest and additional interest on the Notes, are subject to a 30-day cure period); (ii) the Company's failure to send certain notices under the Indenture within specified periods of time; (iii) the Company's failure to comply with certain covenants in the Indenture relating to the Company's ability to consolidate with or merge with or into, or sell, lease or otherwise transfer, in one transaction or a series of transactions, all or substantially all of the assets of the Company and its subsidiaries, taken as a whole, to another person; (iv) a default by the Company in its other obligations or agreements under the Indenture or the Notes if such default is not cured or waived within 60 days after notice is given in accordance with the Indenture; (v) certain defaults by the Company or any of its significant subsidiaries with respect to indebtedness for borrowed money of at least \$100 million; and (vi) certain events of bankruptcy, insolvency and reorganization involving the Company or any of its significant subsidiaries.

In the event of the Company's liquidation, dissolution or winding up, holders of the Company's common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of the Company's debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Holders of the Company's common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to the Company's common stock. The rights, preferences and privileges of the holders of the Company's common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that the Company may designate in the future.

If an Event of Default involving bankruptcy, insolvency or reorganization events with respect to the Company (and not solely with respect to a significant subsidiary of the Company) occurs, then the principal amount of, and any accrued and unpaid special interest and additional interest on, all of the Notes then outstanding will immediately become due and payable without any further action or notice by any person. If any other Event of Default occurs and is continuing, then, the Trustee, by notice to the Company, or noteholders of at least 25% of the aggregate principal amount of Notes then outstanding, may declare the principal amount of, and any accrued and unpaid special interest and additional interest on, all of the Notes then outstanding to become due and payable immediately. However, notwithstanding the foregoing, the Company may elect, at its option, that the sole remedy for an Event of Default relating to certain failures by the Company to comply with certain reporting covenants in the Indenture consists exclusively of the right of the noteholders to receive special interest on the Notes for up to 365 days at a specified rate per annum not exceeding 0.50% on the principal amount of the Notes.

The total amount of debt issuance costs of \$23.6 million was recorded as a reduction to "Convertible senior notes, net" in the consolidated balance sheet and are being amortized as interest expense over the term of the Notes using the effective interest method. During the years ended December 31, 2022 and December 31, 2021, the Company recognized \$3.9 million and \$3.3 million in interest expense related to the amortization of the debt issuance costs related to the Notes. The effective interest rate in both the years ended December 31, 2022 and December 31, 2021 was 0.3%.

The following is a summary of the Company's Notes as of December 31, 2022:

(in thousands)	Principal Amount	Unamortized Issuance Costs	Net Carrying Amount	Fair Value	
				Amount	Leveling
0% Convertible senior notes due on March 15, 2027	\$ 1,150,000	\$ 16,392	\$ 1,133,608	\$ 310,500	Level 2

The Notes are carried at face value less the unamortized debt issuance costs on the Company's consolidated balance sheets. As of December 29, 2022, the estimated fair value of the Notes was approximately \$310.5 million. 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 December 29, 2022, the last business day of the period.

As of December 31, 2022, the remaining life of the Notes is approximately 4.2 years.

#### ***Capped Call Transactions***

On March 2, 2021, in connection with the pricing of the offering of the Convertible Notes, the Company entered into capped call transactions (the "Base Capped Call Transactions") with the option counterparties and used \$73.0 million in net proceeds from the sale of the Convertible Notes to fund the cost of the Base Capped Call Transactions. On March 12, 2021, in connection with the Additional Notes, the Company entered into capped call transactions (the "Additional Capped Call Transactions") with the option counterparties and used \$11.0 million of the net proceeds from the sale of the Additional Notes to fund the cost of the Additional Capped Call Transactions. The Base Capped Call Transactions and the Additional Capped Call Transactions (collectively, the "Capped Call Transactions") cover, subject to customary adjustments, the aggregate number of

shares of the Company's common stock that will initially underlie the Notes, and are expected generally to reduce potential dilution to the Company's common stock upon any conversion of Notes and/or offset any cash payments the Company may make in excess of the principal amount of the converted Notes, as the case may be, with such reduction and/or offset subject to a cap, based on the cap price of the Capped Call Transactions. The cap price of the Capped Call Transactions is \$279.32, which represents a premium of 100% over the last reported sale price of the Company's common stock on March 2, 2021. The aggregate \$84.0 million paid for the Capped Call Transactions was recorded as a reduction to APIC.

#### ***Revolving Credit Facility***

On March 2, 2021, the Company terminated its secured revolving credit agreement, dated as of April 21, 2020 (the "Credit Agreement"), among the Company, as borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as the administrative agent, and in connection with such termination: (i) all borrowings outstanding under the Credit Agreement were repaid in full by the Company; and (ii) all liens and security interests under the Credit Agreement in favor of the lenders thereunder were released.

Debt issuance costs associated with the credit facility were amortized as interest expense over the term of the loan. In the year ended December 31, 2021 debt issuance costs of \$41,000, related to the Company's prior revolving credit facility, were amortized to interest expense. In the year ended December 31, 2020 debt issuance costs of \$0.3 million related to the Company's prior revolving credit facility and equipment loan were amortized to interest expense.

In the years ended December 31, 2022, 2021 and 2020, the Company recorded \$0, \$0.3 million, and \$2.1 million, respectively, in interest expense related to its bank credit facilities.

#### **Note 8. Stockholders' (Deficit) Equity**

Upon the closing of the IPO, all outstanding shares of the Company's convertible preferred stock automatically converted into 41,562,111 shares of common stock on a one-for-one basis. On May 6, 2019, the Company filed a Restated Certificate of Incorporation authorizing the Company to issue 500,000,000 shares of common stock, \$0.0001 par value per share, and \$500,000 shares of undesignated preferred stock, \$0.0001 par value per share, with rights and preferences determined by the Company's Board of Directors at the time of issuance of such shares.

On August 5, 2019, the Company completed its Secondary Offering of common stock, in which it sold 250,000 shares of common stock, \$0.0001 par value.

As of December 31, 2022, the Company had 63,773,982 shares of common stock issued and outstanding. As of December 31, 2021, the Company had 63,400,899 shares of common stock 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 (the "2011 Plan") was amended, restated and re-named the 2018 Equity Incentive Plan ("2018 Plan"). The shares available for issuance under the 2011 Plan were added to the shares reserved for issuance under the 2018 Plan.

The 2018 Plan provides for the grant of stock options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance units, and performance shares to the Company's employees, directors, and consultants. As of December 31, 2022, the maximum aggregate number of shares that may be issued under the 2018 Plan was 20,915,919 shares of the Company's common stock. In addition, the number of shares reserved for issuance under the 2018 Plan will be increased automatically on the first day of each fiscal year beginning with the 2020 fiscal year, by a number equal to the least of: (i) 2,144,521 shares; (ii) 4.0% of the shares of common stock outstanding on the last day



of the prior fiscal year; or (iii) such number of shares determined by the Company's Board of Directors. As of January 1, 2023, the maximum aggregate number of shares that may be issued under the 2018 Plan increased to 23,060,440 shares.

The 2018 Plan may be amended, suspended or terminated by the Company's Board of Directors at any time, provided such action does not impair the existing rights of any participant, subject to stockholder approval of any amendment to the 2018 Plan as required by applicable law or listing requirements. Unless sooner terminated by the Company's Board of Directors, the 2018 Plan will automatically terminate on November 14, 2028.

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

	<u>Shares Available for Grant</u>
Balance - December 31, 2021	6,515,807
Authorized	2,144,521
Granted	(1,943,701)
Shares withheld to cover taxes	40,795
Forfeited	1,091,410
Balance - December 31, 2022	<u>7,848,832</u>

As of December 31, 2022 and 2021, there were 3,999,933 and 3,956,364 shares, respectively, issuable under stock options outstanding, 993,313 and 608,175 shares, respectively, issuable under unvested RSUs outstanding, and 8,145,769 and 7,730,884 shares, respectively, issued for stock option exercises and RSU settlement.

### Stock Options

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

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Risk-free interest rate	2.3%	1.4%	1.3%
Average expected term (years)	7.0	7.0	7.0
Expected volatility	55.0%	55.7%	55.0%
Dividend yield	—	—	—

- *Risk-Free Interest Rate:* The yield on actively traded non-inflation indexed US Treasury notes with the same maturity as the expected term of the underlying options was used as the average risk-free interest rate.
- *Expected Term:* As the Company does not have sufficient historical experience for determining the expected term of the stock option awards granted, the Company's expected term is based on the simplified method, generally calculated as the mid-point between the vesting date and the end of the contractual term.
- *Expected Volatility:* As the Company has only been a public entity since May 2, 2019, there is not a substantive share price history to calculate volatility and, as such, the Company has elected to use an approximation based on the volatility of other comparable public companies, which compete directly with the Company, over the expected term of the options.

- *Dividend Yield:* The Company has not issued regular dividends on common shares in the past nor does the Company expect to issue dividends in the future.

*Forfeiture Rate:* The Company estimates the forfeiture rate at the time of grant based on past awards canceled, the number of awards granted, and vesting terms and adjusted, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The cumulative effect on current and prior periods of a change in the estimated number of awards likely to vest is recognized in compensation cost in the period of the change.

The 2018 Plan generally provides that the Board of Directors may set the vesting schedule applicable to grants approved under the 2018 Plan. The Company has not granted equity awards with performance-based vesting conditions.

Option grants to new and continuing employees in 2022, and to new employees in 2021 and 2020, generally vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter ratably vesting monthly over the remaining three-year period, subject to continued employment through the vesting date. Option grants to continuing employees in 2021 and 2020 generally vest monthly over a 48-month period, subject to continued employment through the vesting date. Option grants to certain continuing employees in 2021 vest every six months over two years, subject to continued employment through the vesting date. An option grant to one executive officer in 2021 vested over three months from the vesting commencement date.

The following table summarizes the Company's stock option activity during the period from December 31, 2019 through December 31, 2022:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands) <sup>(1)</sup>
<b>Outstanding at December 31, 2019</b>	5,170,976	\$ 14.28	7.5	\$ 329,879
Granted	268,193	\$ 99.74	—	\$ —
Exercised	(1,163,374)	\$ 7.75	—	\$ 132,935
Canceled/Forfeited	(57,517)	\$ 37.14	—	\$ —
<b>Outstanding at December 31, 2020</b>	4,218,278	\$ 21.2	6.6	\$ 443,595
Granted	475,520	\$ 91.42	—	\$ —
Exercised	(485,016)	\$ 16.76	—	\$ 51,901
Canceled/Forfeited	(252,418)	\$ 70.41	—	\$ —
<b>Outstanding at December 31, 2021</b>	3,956,364	\$ 27.04	5.9	\$ 180,302
Granted	841,630	\$ 38.93	—	\$ —
Exercised	(223,175)	\$ 7.28	—	\$ 7,026
Canceled/Forfeited	(574,886)	\$ 62.29	—	\$ —
<b>Outstanding at December 31, 2022</b>	3,999,933	\$ 25.58	5.3	\$ 20,712
<b>Vested and exercisable at December 31, 2022</b>	3,138,890	\$ 19.56	4.3	\$ 20,712
<b>Vested and expected to vest at December 31, 2022</b>	3,789,166	\$ 24.40	5.0	\$ 20,712

(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 years ended December 31, 2022, 2021 and 2020, the Company recorded in aggregate \$14.5 million, \$13.3 million and \$13.1 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 consolidated statements of operations.

As of December 31, 2022, there was \$15.2 million in unrecognized compensation expense related to nonvested stock option awards which is expected to be recognized over a weighted average vesting period of 1.2 years.

***Restricted Stock Units***

RSU grants to new employees in the year ended December 31, 2022 generally vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter vest quarterly over the remaining three years of the award, subject to continued employment through the vesting date. RSU grants to certain continuing employees in the year ended December 31, 2022 vest 50% of the total award on the first anniversary of the vesting commencement date, and thereafter vest quarterly over the remaining four quarters of the award, subject to continued employment through the vesting date. RSU grants to certain continuing employees in the year ended December 31, 2022 vest 25% of the total award each quarter over four quarters, subject to continued employment through the vesting date. An RSU grant to one executive officer in the year ended December 31, 2022 vested 100% over three months from the vesting commencement date.

RSU grants to new employees in the years ended December 31, 2021 and 2020 vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter vest quarterly over the remaining three years of the award, subject to continued employment through the vesting date. RSU grants in the year ended December 31, 2021 include fully vested RSUs granted to an executive officer issued in settlement of the obligation discussed below under Share-Settled Obligation. RSU grants to continuing employees in the year ended December 31, 2021 and 2020 generally vest quarterly over 16 quarters, subject to continued employment through the vesting date. In the year ended December 31, 2021, one RSU grant granted to continuing employees vests every 6 months over a two-year period, subject to continued employment through the vesting date. RSU grants to two executive officers in the year ended December 31, 2022 vest quarterly over four and eight quarters, respectively, subject to continued employment through the vesting date.

Annual RSU grants to directors on the Company's Board of Directors (the "Board") in 2022, 2021 and 2020 vest monthly over a one-year period and RSU grants to new directors on the Board vest monthly over a three-year period. RSU grants to consultants and non-employee brand ambassadors in 2022, 2021 and 2020 have a variety of different vesting schedules.

The following table summarizes the Company's RSU activity from December 31, 2019 through December 31, 2022:

	Number of Units	Weighted Average Grant Date Fair Value Per Unit
<b>Unvested at December 31, 2019</b>	149,004	\$ 132.73
Granted	244,752	\$ 109.61
Vested	(99,970)	\$ 127.71
Canceled/Forfeited	(17,797)	\$ —
<b>Unvested at December 31, 2020</b>	275,989	\$ 114.99
Granted	562,909	\$ 86.00
Vested	(120,599)	\$ 123.10
Canceled/Forfeited	(110,124)	\$ —
<b>Unvested at December 31, 2021</b>	608,175	\$ 89.00
Granted	1,102,071	\$ 29.12
Vested	(200,932)	\$ 88.20
Canceled/Forfeited	(516,001)	\$ —
<b>Unvested at December 31, 2022</b>	993,313	\$ 35.98

During the years ended December 31, 2022, 2021 and 2020, the Company recorded in aggregate \$19.4 million, \$12.6 million and \$9.8 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 expense and SG&A expenses in the Company's consolidated statements of operations.

As of December 31, 2022, there was \$22.6 million in unrecognized compensation expense related to nonvested RSUs which is expected to be recognized over a weighted average vesting period of 1.1 years.

#### **Share-Settled Obligation**

Share-based compensation expense in 2021 and 2020 includes \$1.5 million and \$3.0 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. The share-based compensation expense related to this share-settled obligation is included in SG&A expenses in the Company's consolidated statements of operations. There was no share-based compensation expense related to the share-settled obligation in 2022.

The Company is obligated to deliver a variable number of shares based on a fixed monetary amount on the first annual anniversary of the executive officer's commencement date and on each quarterly anniversary thereafter through the second annual anniversary. The liability classified award is considered unearned until the requirements for issuance of the shares are met and is included in "Accrued expenses and other current liabilities" in the Company's consolidated balance sheet as of December 31, 2020 in the amount of \$1.0 million.

In 2021, two quarterly tranches related to this obligation were earned, and the Company delivered to the executive officer 20,872 fully vested RSUs with a settlement date fair value of \$2.5 million. The executive officer separated from the Company effective August 27, 2021. As a result, the fourth quarterly tranche was unearned and canceled. As of December 31, 2022, there was no accrued unrecognized compensation expense related to this share-settled obligation in "Accrued expenses and other current liabilities" in the Company's consolidated balance sheet. Financing activities in the statement of cash flows for the years ended December 31, 2022, 2021 and 2020 includes \$0, \$2.5 million and \$0, respectively, noncash reclassification of the share-settled obligation from "Other current liabilities" to "Additional paid-in capital."

**Restricted Stock to Nonemployees**

In 2022 and 2021, the Company issued no restricted stock.

The following table summarizes the Company's restricted stock activity:

	Number of Shares of Restricted Stock	Weighted Average Remaining Contractual Life (Years)	Weighted Average Grant Date Fair Value Per Share
<b>Unvested at December 31, 2019</b>	88,988	1.2	19.49
Granted	0	—	—
Vested/Released	(76,804)	—	19.97
Canceled/Forfeited	—	—	—
<b>Unvested at December 31, 2020</b>	12,184	0.3	20.02
Granted	—	—	—
Vested/Released	(12,184)	—	20.02
Canceled/Forfeited	—	—	—
<b>Unvested at December 31, 2021</b>	—	—	—

During the years ended December 31, 2022, 2021 and 2020, the Company recorded in aggregate \$0, \$0.2 million and \$1.4 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 consolidated statements of operations.

As of December 31, 2022, there was \$0 in unrecognized compensation expense related to nonvested restricted stock.

**Employee Stock Purchase Plan**

On November 15, 2018, the Company's Board of Directors adopted its 2018 Employee Stock Purchase Plan ("2018 ESPP"), which was subsequently approved by the Company's stockholders and became effective on April 30, 2019, the day immediately prior to the effectiveness of the registration statement filed in connection with the IPO. The 2018 ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code (the "Code") for U.S. employees. In addition, the 2018 ESPP authorizes grants of purchase rights that do not comply with Section 423 of the Code under a separate non-423 component for non-U.S. employees and certain non-U.S. service providers. As of December 31, 2022, the Company has reserved 2,412,585 shares of common stock for issuance under the 2018 ESPP. In addition, the number of shares reserved for issuance under the 2018 ESPP will be increased automatically on the first day of each fiscal year for a period of up to ten years, starting with the 2020 fiscal year, by a number equal to the least of: (i) 536,130 shares; (ii) 1.0% of the shares of common stock outstanding on the last day of the prior fiscal year; or (iii) such lesser number of shares determined by the Company's Board of Directors. As of January 1, 2023, the maximum aggregate number of shares that may be issued under the 2018 ESPP increased to 2,948,715 shares. The 2018 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 2018 ESPP.

**Note 10. Commitments and Contingencies**

**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 Campus Headquarters.

Under the terms of the Campus Lease, the Company will lease an aggregate of approximately 282,000 rentable square feet in a portion of a building located at 888 Douglas Street, El Segundo, California, to be built out by the Landlord and delivered to the Company in multiple phases. During 2022, the tenant improvements associated with Phase 1-A were completed and the underlying asset was delivered to the Company. Therefore, the Company has recognized a right-of-use asset and lease liability for Phase 1-A in its consolidated balance sheet as of December 31, 2022. See [Note 4](#). Aggregate payments towards base rent over the initial lease term associated with the remaining phases not yet delivered to the Company will be approximately \$118.4 million.

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. The letter of credit is secured by a \$12.6 million deposit reflected in the Company's consolidated balance sheet as "Restricted cash" as of December 31, 2022.

#### ***China Investment and Lease Agreement***

On September 22, 2020, the Company and its subsidiary, BYND JX, entered into an investment agreement with the Administrative Committee (the "JX Committee") of the Jiaying 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. In the year ended December 31, 2022 and 2021, the Company received \$0 and \$1.1 million, respectively, in subsidies from the JXEDZ Finance Bureau which is recorded in "Other, net" in the Company's consolidated statement of operations.

During Phase 1, the Company agreed to invest \$10.0 million as the registered capital of BYND JX in the JXEDZ through intercompany investment in BYND JX and BYND JX 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 agreed to lease and renovate a facility in the JXEDZ and lease it for a minimum of two years. In the year ended December 31, 2022, the lease was amended to extend the term for an additional five years without rent escalation. In the fourth quarter of 2021, BYND JX leased an approximately 12,000 square foot facility in Shanghai, China, for a period of eight years, which is used as a local research and development facility to support the local manufacturing operations. As of December 31, 2022, the Company had invested \$22.0 million as the registered capital of BYND JX and advanced \$20.0 million to BYND JX.

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 to \$40.0 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 years ended December 31, 2022 and December 31, 2021, the Company recognized its share of the net losses in TPP in the amount of \$18.9 million and \$3.0 million, respectively. For the year ended December 31, 2021, the Company contributed its share of the investment in TPP, \$11.0 million, which was increased to \$24.3 million in the year ended December 31, 2022. See [Note 2](#) and [Note 13](#). Subsequent to the year ended December 31, 2022, the Company contributed an additional \$3.3 million as its share of the additional investment in TPP.

In the fourth quarter of 2022, the Company began taking steps to restructure certain contracts and operating activities related to Beyond Meat Jerky. Such activities are expected to continue through most of 2023.

**Purchase Commitments**

As of December 31, 2022, the Company had committed to purchase pea protein inventory totaling \$40.2 million in 2023.

On April 6, 2022, the Company entered into a co-manufacturing agreement (“Agreement”) with a co-manufacturer to manufacture various products for the Company. The Agreement includes a minimum order quantity commitment per month and an aggregate quantity over a 5-year term. For a portion of the contract term, if the minimum order for a month is not fulfilled, the Company may be assessed a fee per pound, which fee may be waived by the co-manufacturer upon reaching certain aggregate quantity limits.

The following table sets forth the schedule of the fees for the committed quantity under the Agreement.

<b>(in thousands)</b>	<b>As of December 31, 2022</b>	
2023	\$	10,068
2024		11,820
2025		11,820
2026		11,820
2027		39,096
Total	\$	<u>84,624</u>

**Litigation**

*Don Lee Farms I and Don Lee Farms II*

As previously reported by the Company in the 2021 10-K and on Form 10-Q for the fiscal quarter ended July 2, 2022 filed with the SEC on August 11, 2022, Don Lee Farms and certain of its employees, on the one hand, and Beyond Meat, and certain of its respective current and former employees, on the other hand, were parties to litigation filed in the Superior Court of the State of California for the County of Los Angeles (Case No. BC662838, the “State Court Case”) and the United States District Court for the Central District of California (Case No. 2:22-CV-03751-AB-GJS, the “Federal Court Case”). On October 18, 2022, the parties entered into a confidential written settlement agreement and mutual release, pursuant to which the parties agreed to dismiss all claims and cross-claims asserted in the State Court Case and Federal Court Case with prejudice. The terms of the settlement did not have a material impact on Beyond Meat’s financial position or results of operations. No party admitted liability or wrongdoing in connection with the settlement.

*Consumer Class Actions Regarding Protein Claims*

From May 31, 2022 through January 13, 2023, multiple putative class action lawsuits were filed against the Company in various federal and state courts alleging that the labeling and marketing of certain of the Company’s products is false and/or misleading under federal and/or various states’ laws. Specifically, each of these lawsuits allege one or more of the following theories of liability: (i) that the labels and related marketing of the challenged products misstate the quantitative amount of protein that is provided by each serving of the product; (ii) that the labels and related marketing of the challenged products misstate the percent daily value of protein that is provided by each serving of the product; and (iii) that the Company has represented that the challenged products are “all-natural,” “organic,” or contain no “synthetic” ingredients when they in fact contain methylcellulose, an allegedly synthetic ingredient. The named plaintiffs of each complaint seek to represent classes of nationwide and/or state-specific consumers, and seek on behalf of the putative classes damages,

restitution, and injunctive relief, among other relief. Additional complaints asserting these theories of liability are possible. Some lawsuits previously filed were voluntarily withdrawn or dismissed without prejudice; though they may be refiled.

On November 14, 2022, Beyond Meat filed a motion with the Judicial Panel on Multidistrict Litigation to transfer and consolidate all pending class actions. No party opposed the motion, and the Panel held oral argument on the motion on January 26, 2023. The Panel granted the motion on February 1, 2023, consolidating the pending class action lawsuits and transferring them to Judge Sara Ellis in the Northern District of Illinois for pre-trial proceedings. The initial status conference in the multidistrict litigation is set for March 3, 2023.

The Company intends to vigorously defend against all claims asserted in the complaints. 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 these lawsuits is not estimable.

The active lawsuits are:

- Roberts v. Beyond Meat, Inc., No. 1:22-cv-02861 (N.D. Ill.) (filed May 31, 2022)
- Cascio v. Beyond Meat, Inc., No. 1:22-cv-04018 (E.D.N.Y.) (filed July 8, 2022)
- Miller v. Beyond Meat, Inc., No. 1:22-cv-06336 (S.D.N.Y.) (filed July 26, 2022)
- Garcia v. Beyond Meat, Inc., No. 4:22-cv-00297 (S.D. IA.) (filed September 9, 2022)
- Borovoy v. Beyond Meat, Inc., No. 1:22-cv-06302 (N.D. Ill.) (filed September 30, 2022 in DuPage Co., Ill.; removed on Nov. 10, 2022)
- Zakinov v Beyond Meat, Inc., No. 4:23-cv-00144 (SD TX) (filed January 13, 2023)

#### *Securities Related Litigation*

As previously reported by the Company in the 2021 10-K and on Form 10-Q for the fiscal quarter ended July 2, 2022 filed with the SEC on August 11, 2022, the parties have reached a settlement of the Weiner, Brink/Klein and Chew derivative actions. 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 filed their motion for final approval on June 13, 2022. On July 1, 2022, Plaintiffs filed a notice of non-objection, stating that they received no objections to the proposed settlement. The Final Approval Hearing was scheduled for July 11, 2022, but on July 7, 2022, the Court entered a Scheduling Notice and Order finding that Plaintiffs' motion for final approval is appropriate for submission on the papers without oral argument. On September 27, 2022, the Court entered a Final Order and Judgment approving the settlement. The appeal period expired on October 27, 2022, which means that the settlement of these actions is now final. On October 31, 2022, plaintiff's counsel in the Chew action, in accordance with the Stipulation of Settlement, filed a Joint Stipulation and [Proposed] Order to Dismiss Action with Prejudice, which was signed and entered by the Court on November 1, 2022.

#### *Interbev*

In October 2020, Interbev, a French trade association for the cattle industry sent a cease-and-desist letter to one of the Company's contract manufacturers alleging that the use of "meat" and meat-related terms is misleading the French consumer. Despite the Company's 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 by 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. On October 12, 2022, the Company submitted its brief in defense. On February 1, 2023, the French trade association submitted updated pleadings to the Commercial Court. The association maintains its position that the Company is misleading the consumer, and additionally alleges that it is engaging in unlawful comparative advertising of its products with respect to meat and meat products. The relief sought is unchanged. The Company strongly disputes these claims and will defend its position with the utmost vigor. The litigation is expected to take at least 18 months in the first instance, and if the Court rules against the Company, it could disrupt the Company’s ability to market in France.

*Decree prohibiting meat names*

On June 29, 2022, France adopted a Decree implementing a prohibition of June 2020 on the use of denominations used for foodstuffs of animal origin to describe, market or promote foodstuffs containing plant proteins (“Decree”). The Decree prohibits the use of meat names (such as “sausage” or “meatballs”) for plant-based products, from its date of entry into force on October 1, 2022. On July 27, 2022, the French High Administrative Court issued a temporary and partial suspension of the execution of the Decree, in response to a motion filed by a French trade association. While the Court has not yet handed down a decision on the merits, the suspension indicates that it has serious doubts as to the substantive lawfulness of the Decree.

The Company does not believe that the Decree complies with the laws of the European Union (EU), and in particular the principle of free movement of goods, nor with French rules requiring laws to be clear and accessible. On October 21, 2022, the Company filed a request for annulment of the Decree before the French High Administrative Court. On November 16, 2022, the Company filed a voluntary intervention in the French trade association’s own application for annulment, to ensure that both the Company’s voice and strong EU law arguments are heard. On January 23, 2023, the French Ministry for the Economy responded to the Company’s request for annulment and intervention. The Ministry’s response makes clear that it will enforce the Decree as a blanket ban on the use of all meaty names for plant-based products in France. The Company maintains its position that the Decree is illegal under French and EU law, and will continue to fight the Decree with utmost vigor. A decision from the Court is expected sometime during 2023, and should the Court hold that the Decree is lawful, it could impact the Company’s ability to market in France, as it will need to take steps to amend its labels in line with the Decree.

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**

A reconciliation of loss before income taxes for domestic and foreign locations for the years ended December 31, 2022, 2021 and 2020 is as follows:

(in thousands)

	Year Ended December 31,		
	2022	2021	2020
United States	\$ (290,765)	\$ (155,810)	\$ (51,378)
Foreign	(56,392)	(23,258)	(1,302)
Loss before income taxes	<u>\$ (347,157)</u>	<u>\$ (179,068)</u>	<u>\$ (52,680)</u>

The provision for income taxes was as follows:

(in thousands)	Year Ended December 31,		
	2022	2021	2020
Current:			
Federal	\$ —	\$ —	\$ —
State	32	60	72
	<u>\$ 32</u>	<u>\$ 60</u>	<u>\$ 72</u>
Deferred:			
Federal	\$ —	\$ —	\$ —
State	—	—	—
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Provision for income tax	<u>\$ 32</u>	<u>\$ 60</u>	<u>\$ 72</u>

The Company has provided a 100% valuation allowance on its deferred tax assets. The provision for income taxes in 2022, 2021 and 2020 is primarily for taxes payable to the states.

A reconciliation of income tax expense from continuing operations to the amount computed by applying the statutory federal income tax rate to the net loss from continuing operations is summarized as follows:

(in thousands)	Year Ended December 31,		
	2022	2021	2020
U.S. income tax at federal statutory rate	\$ (72,902)	\$ (38,229)	\$ (11,063)
State income tax, net of federal benefits	(8,841)	(4,991)	(1,962)
Foreign rate differential	(2,536)	(985)	(54)
Share-based compensation	1,479	(4,932)	(21,007)
Research and development credits	(5)	(20)	(10)
Change in tax rates	204	(719)	2,989
Other	(2,807)	771	529
Change in valuation allowance	85,440	49,165	30,650
Provision for income tax	<u>\$ 32</u>	<u>\$ 60</u>	<u>\$ 72</u>

Significant components of the Company's deferred tax assets and liabilities as of December 31, 2022, and 2021 are shown below.

(in thousands)	December 31,	
	2022	2021
<b>Deferred Tax Assets:</b>		
Net operating loss (NOL)	\$ 198,358	\$ 128,006
Operating lease liability	20,659	—
Intangibles	7,189	1,308
Share-based compensation	8,746	4,584
Interest	—	388
Inventory reserve	3,757	2,139
Other	11,087	1,820
Total gross deferred tax assets	249,796	138,245
<b>Deferred Tax liabilities:</b>		
Operating lease right-of-use assets	20,497	—
Property, plant and equipment	4,805	3,056
Total gross deferred tax liabilities	25,302	3,056
Valuation allowance	224,494	135,189
Net deferred tax assets (liabilities)	\$ —	\$ —

As of December 31, 2022 and 2021, management assessed the realizability of deferred tax assets and evaluated the need for an amount of a valuation allowance for deferred tax assets on a jurisdictional basis. This evaluation utilizes the framework contained in ASC 740, "Income Taxes," pursuant to which management analyzed all positive and negative evidence available at the balance sheet date to determine whether all or some portion of the deferred tax assets will not be realized. Under this guidance, a valuation allowance must be established for deferred tax assets when it is more likely than not (a probability level of more than 50%) that they will not be realized.

In concluding on the evaluation, management placed significant emphasis on guidance in ASC 740, which states that "a cumulative loss in recent years is a significant piece of negative evidence that is difficult to overcome." Based upon available evidence, it was concluded on a more-likely-than-not basis that certain deferred tax assets were not realizable as of December 31, 2022. Accordingly, a valuation allowance of \$224.5 million has been recorded to offset these deferred tax assets. The change in valuation allowance for the year ended December 31, 2022 from 2021 was an increase of \$89.3 million.

As of December 31, 2022, the Company has accumulated federal, state and foreign net operating loss carryforwards of approximately \$744.5 million, \$314.2 million and \$84.1 million, respectively, of which approximately \$652.7 million of the federal net operating losses and \$84.9 million of the state net operating losses do not expire and the remaining federal, state and foreign tax loss carryforwards begin to expire in 2031, 2031 and 2025 respectively, unless previously utilized. As of December 31, 2021, the Company had accumulated federal, state and foreign net operating loss carryforwards of approximately \$514.1 million, \$201.7 million and \$24.6 million, respectively.

Pursuant to Internal Revenue Code (IRC) Sections 382 and 383, annual use of the Company's net operating loss (NOLs) and research and development credit carryforwards may be limited in the event a cumulative change in ownership of more than 50% occurs within a three-year period. The Company has

completed a section 382 analysis through October 1, 2022 and concluded ownership changes occurred in 2011, 2013 and 2015. However, these ownership changes are not expected to result in a material limitation on future use of the Company's NOLs and credit carryforwards generated prior to these ownership changes pursuant. Changes may have occurred in the fourth quarter of 2022 and may occur in the future that could limit the Company's ability to utilize tax attributes. Any adjustment to the Company's tax attributes as a result of such ownership changes will result in a corresponding decrease to the valuation allowance recorded against the Company's deferred tax assets.

The following table summarizes the activity related to the Company's gross unrecognized tax benefits at the beginning and end of the years ended December 31, 2022 and 2021:

(in thousands)	Year Ended December 31,	
	2022	2021
Gross unrecognized tax benefits at the beginning of the year	\$ 8,861	\$ 5,399
Increases related to current year positions	1,465	3,462
Increases/Decreases related to prior year positions	—	—
Expiration of unrecognized tax benefits	—	—
Gross unrecognized tax benefits at the end of the year	\$ 10,326	\$ 8,861

As of December 31, 2022 and 2021, the Company had \$9.4 million and \$8.0 million, respectively, of unrecognized tax benefits from research and development tax credits, none of which, if recognized, would affect the Company's effective tax rate.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2022, 2021, and 2020, interest and penalties recognized were insignificant. The Company does not expect any significant increases or decreases to its unrecognized tax benefits within the next 12 months.

The Company files U.S. federal, state and foreign income tax returns in jurisdictions with varying statute of limitations. The Company's tax years from 2011 (inception) are subject to examination by the US federal, state and foreign tax authorities due to the carry forward of unutilized tax attributes.

With respect to the income of its foreign subsidiaries, the Company asserts the position that the undistributed earnings of its foreign subsidiaries are permanently invested in that jurisdiction. As a result, no additional income taxes have been provided on the possible repatriation of these earnings to the parent company. The Company does not have any unremitted earnings as of December 31, 2022.

The Tax Cuts and Jobs Act subjects a U.S. shareholder to tax on Global Intangible Low-taxes Income ("GILTI") earned by certain foreign subsidiaries. Pursuant to the FASB Staff Q&A, Topic 740 No.5. *Accounting for Global Intangible Low-taxed Income*, the Company is allowed to make an accounting policy election to either recognize deferred taxes for temporary basis differences expected to reverse as GIL TI in future years or to provide for the tax expense related to GILTI in the year the tax is incurred as period expense only. The Company has elected to account for GILTI in the year the tax is incurred.

**Note 12. Net Loss Per Share Available to Common Stockholders ("EPS")**

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 ASU 2020-06, the Company applies the more dilutive of the if-converted method and the two-class method to its Notes. See [Note 2](#).

Computation of EPS for the year ended December 31, 2022 and 2021 excludes the dilutive effect of 3,999,933 and 3,956,364 shares issuable under stock options, respectively, and 993,313 and 608,175 RSUs, respectively, because the Company incurred a net loss and their inclusion would have been antidilutive. Computation of EPS for the year ended December 31, 2020 also excludes adjustments under the two-class method relating to a liability classified, share-settled obligation to an executive officer to deliver a variable number of shares based on a fixed monetary amount because the shares to be delivered are not participating securities as they do not have voting rights and are not entitled to participate in dividends until they are issued. The share-settled obligation that was scheduled to vest in the third quarter of 2021 was canceled because the executive officer separated from the Company before the vest date and the award was not earned (see [Note 9](#)). Computation of net loss per share available to common stockholders for the years ended December 31, 2022 and 2021 also exclude the dilutive effect of the Notes because the Company recorded a net loss in each of the years ended December 31, 2022 and 2021, and their inclusion would be anti-dilutive. Computation of EPS for the year ended December 31, 2020 excludes the dilutive effect of 4,218,278 shares issuable under stock options because the Company incurred a net loss and their inclusion would have been antidilutive.

(in thousands, except share and per share amounts)	Year Ended December 31,		
	2022	2021	2020
<b>Numerator:</b>			
Net loss available to common stockholders	\$ (366,137)	\$ (182,105)	\$ (52,752)
Undistributed net income available to unvested restricted stockholders	—	—	—
Net loss available to common stockholders—basic	\$ (366,137)	\$ (182,105)	\$ (52,752)
<b>Denominator:</b>			
Weighted average common shares outstanding—basic	63,622,432	63,172,368	62,290,445
Dilutive effect of shares issuable under stock options	—	—	—
Dilutive effect of RSUs	—	—	—
Dilutive effect of share-settled obligation	—	—	—
Dilutive effect of Notes, if converted <sup>(1)</sup>	—	—	—
Weighted average common shares outstanding—diluted	63,622,432	63,172,368	62,290,445
Net loss per share available to common stockholders—basic	\$ (5.75)	\$ (2.88)	\$ (0.85)

(1) As the Company recorded a net loss in the years ended December 31, 2022 and 2021, inclusion of shares from the conversion premium or spread would be anti-dilutive. The Company had \$1.2 billion and Notes outstanding during the year ended December 31, 2022 and 2021 and none during the year ended December 31, 2020.

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share available to common stockholders for the periods presented because the impact of including them would have been antidilutive:

	Year Ended December 31,		
	2022	2021	2020
Options to purchase common stock	3,999,933	3,956,364	4,218,278
Restricted stock units	993,313	608,175	275,989
Total	4,993,246	4,564,539	4,494,267

### Note 13. Related Party Transactions

#### *TPP*

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. In the year ended December 31, 2022, the Company also entered into an agreement for a nonrefundable up-front fee associated with its manufacturing and supply agreement with TPP that will be recognized over the estimated term of the manufacturing and supply agreement. Net revenues earned from TPP included in U.S. retail channel net revenues were \$33.5 million and \$0 for the year ended December 31, 2022 and December 31, 2021, respectively.

Accounts receivable from TPP were \$0.4 million and \$0 at December 31, 2022 and December 31, 2021, respectively. Unrecognized revenue associated with the up-front fee charged to TPP as of December 31, 2022 was \$2.0 million and included in "Accrued expenses and other current liabilities" in the Company's consolidated balance sheet as of December 31, 2022. There was no such balance as of December 31, 2021.

#### *Seth Goldman*

The Company entered into a consulting agreement with Seth Goldman, the Company's former Executive Chair, on March 2, 2016, which was amended and restated on November 15, 2018 and further amended on April 8, 2019. Pursuant to the consulting agreement, the Company paid Mr. Goldman \$20,210.33 per month for services rendered under the consulting agreement.

Effective February 27, 2020, Seth Goldman resigned as Executive Chair of the Company. Upon such resignation, Mr. Goldman continued to serve in his capacity as a Class I director and Chair of the Board of the Company. In connection with Mr. Goldman's resignation as Executive Chair, the Company and Mr. Goldman terminated the consulting agreement effective as of February 27, 2020. Total consulting fees paid to Mr. Goldman under the consulting agreement prior to its termination in 2020 was \$60,631.

#### *Donald Thompson*

In 2022, the Company entered into a Master Services Agreement with CA Consulting LLC, a restaurant, food tech and beverage consulting firm, led by Don Thompson, one of the former directors on the Company's Board of Directors who served until the end of his term in May 2021, for strategic consulting services rendered by CA Consulting LLC. In 2021, the Company accrued \$1.0 million in payment towards these consulting services and paid it in 2022. The Company did not incur any such costs in 2022 or 2020.

#### *Michael Pucker*

Michael A. Pucker, a partner of Latham & Watkins LLP, is a former member of the Company's Board of Directors and the spouse of Gigi Pritzker Pucker. During 2021, Ms. Pucker may have been deemed to be a holder of more than 5% of the shares of the Company's common stock. In the year ended December 31, 2021, the Company made aggregate payments of approximately \$15.7 million to Latham & Watkins LLP for legal services. As of December 31, 2021, the Company had billed and unbilled fees for legal services of \$2.2 million due to Latham & Watkins LLP.

### Note 14. Subsequent Event

Subsequent to the year ended December 31, 2022, on February 14, 2023, the Company terminated its lease on the commercialization center in Commerce, California.

### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

## ITEM 9A. CONTROLS AND PROCEDURES.

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

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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K, 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.

### ***Management's Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our evaluation under the framework set forth in *Internal Control - Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 31, 2022.

The effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report which is included below.

### ***Attestation Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting***

The attestation report of the independent registered public accounting firm, Deloitte & Touche LLP, on the Company's internal control over financial reporting is included below under the heading "Report of Independent Registered Public Accounting Firm."

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

There were no changes in our internal control over financial reporting during the quarter ended December 31, 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.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Beyond Meat, Inc.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Beyond Meat, Inc. and subsidiaries (the “Company”) as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated March 1, 2023, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

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

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

### Definition and Limitations of Internal Control over Financial Reporting.

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

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

/s/ Deloitte & Touche LLP  
Los Angeles, California  
March 1, 2023



**ITEM 9B. OTHER INFORMATION.**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.**

Not applicable.

### PART III

#### **ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.**

The information required by this item will be set forth in our Proxy Statement and is incorporated by reference. The Proxy Statement will be filed with the SEC within 120 days of the fiscal year ended December 31, 2022.

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. The full text of our code of business conduct and ethics is posted on the investor relations page on our website which is located at <https://investors.beyondmeat.com/investor-relations>. We will post any amendments to our code of business conduct and ethics other than technical, administrative or other non-substantive amendments, or waivers of its requirements, on our website or in a Form 8-K filed with the SEC.

#### **ITEM 11. EXECUTIVE COMPENSATION.**

The information required by this item will be set forth in our Proxy Statement and is incorporated herein by reference. The Proxy Statement will be filed with the SEC within 120 days of the fiscal year ended December 31, 2022.

#### **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.**

The information required by this item will be set forth in our Proxy Statement and is incorporated herein by reference. The Proxy Statement will be filed with the SEC within 120 days of the fiscal year ended December 31, 2022.

#### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.**

The information required by this item will be set forth in our Proxy Statement and is incorporated herein by reference. The Proxy Statement will be filed with the SEC within 120 days of the fiscal year ended December 31, 2022.

#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.**

The information required by this item will be set forth in our Proxy Statement and is incorporated herein by reference. The Proxy Statement will be filed with the SEC within 120 days of the fiscal year ended December 31, 2022.

**PART IV**

**ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES.**

**(a)(1) Financial Statements**

See Index to Financial Statements in Item 8 of this report.

**(a)(2) Financial Statement Schedules**

All financial statement schedules have been omitted as the information is not required under the related instructions or is not applicable or because the information required is already included in the financial statements or the notes to those financial statements.

**(a)(3) EXHIBITS**

The documents set forth below are filed herewith or incorporated herein by reference to the location indicated.

**EXHIBIT INDEX**

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	<a href="#">Restated Certificate of Incorporation.</a>	10-Q	6/12/2019	3.1	
3.2	<a href="#">Amended and Restated Bylaws.</a>	8-K	12/21/2022	3.1	
4.1	<a href="#">Form of Common Stock Certificate.</a>	S-1/A	3/27/2019	4.1	
4.2	<a href="#">Amended and Restated Investors' Rights Agreement, dated as of October 5, 2018, by and among the Registrant and the other parties thereto.</a>	S-1	11/16/2018	4.2	
4.3	<a href="#">Description of Registrant's Securities.</a>				X
4.4	<a href="#">Indenture, dated as of March 5, 2021, between Beyond Meat, Inc. and U.S. Bank National Association, as trustee.</a>	8-K	3/5/2021	4.1	
4.5	<a href="#">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 3/5/21).</a>	8-K	3/5/2021	4.1	
10.1	<a href="#">Standard Industrial/Commercial Single-Tenant Lease, dated as of January 18, 2017, by and between Smoky Hollow Industries, LLC and Registrant with attachments thereto.</a>	S-1	11/16/2018	10.1	
10.2	<a href="#">First Amendment dated as of July 1, 2021 to Standard Industrial/Commercial Single-Tenant Lease, dated as of January 18, 2017, by and between Smoky Hollow Industries, LLC and Registrant with attachments thereto.</a>	10-Q	8/12/2021	10.1	
10.3	<a href="#">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.</a>	10-Q	5/12/2022	10.2	

## EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.4	<a href="#">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.+</a>	10-Q	5/12/2022	10.3	
10.5	<a href="#">Fourth Amendment dated as of May 23, 2022 to Lease dated as of July 1, 2021, as amended, by and between Smoky Hollow Industries, LLC and Registrant.+</a>	10-Q	8/11/2022	10.1	
10.6	<a href="#">Fifth Amendment dated as of June 21, 2022 to Lease dated as of July 1, 2021, as amended, by and between Smoky Hollow Industries, LLC and Registrant.+</a>	10-Q	8/11/2022	10.2	
10.7	<a href="#">Sixth Amendment dated as of August 30, 2022 to Lease dated as of July 1, 2021, as amended, by and between Smoky Hollow Industries, LLC and Registrant.+</a>	10-Q	11/10/2022	10.1	
10.8	<a href="#">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 and amendment thereto dated November 1, 2017.</a>	S-1	11/16/2018	10.2	
10.9	<a href="#">Second Lease Amendment to Lease, dated March 13, 2014, as amended, by and between Sara Maguire LeMone as Trustee of the Sara Maguire Lemone Revocable Trust and the Company, dated May 6, 2019.</a>	10-K	3/19/2020	10.3	
10.10	<a href="#">Third Lease Amendment to Lease, dated March 13, 2014, as amended, by and between Sara Maguire LeMone as Trustee of the Sara Maguire Lemone Revocable Trust and the Company, dated March 16, 2020.</a>	10-K	3/19/2020	10.4	
10.11	<a href="#">Fourth Lease Amendment to Lease, dated March 13, 2014, as amended, by and between Sara Maguire LeMone as Trustee of the Sara Maguire Lemone Revocable Trust and the Company, dated March 9, 2022.</a>	10-Q	5/12/2022	10.1	
10.12	<a href="#">Lease, dated October 12, 2017, by and between LeMone Family Limited Partnership, LLLP and Registrant as amended by the Lease Amendment dated April 18, 2018.</a>	S-1	11/16/2018	10.3	
10.13	<a href="#">Second Lease Amendment to Lease, dated October 12, 2017, as amended, by and between LeMone Family Limited Partnership, LLLP and Registrant, dated May 22, 2020.</a>	10-Q	8/11/2020	10.2	
10.14	<a href="#">Standard Industrial/Commercial Single-Tenant Lease - Net, dated as of February 11, 2019, between GSOB, LLC and Registrant, with attachments thereto.</a>	S-1/A	4/15/2019	10.22	

## EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.15	<a href="#">Lease, dated as of January 14, 2021, by and between Registrant and HC Hornet Way, LLC.</a>	8-K	1/15/2021	10.1	
10.16	<a href="#">Supply Agreement, dated December 28, 2018, by and between Roquette America, Inc. and Registrant.+</a>	S-1/A	4/15/2019	10.10	
10.17	<a href="#">Multi-Year Sales Agreement, dated January 10, 2020, by and between Roquette Frères and Beyond Meat, Inc.+</a>	8-K	1/15/2020	10.1	
10.18	<a href="#">First Amendment dated as of August 3, 2022 to the Multi-Year Sales Agreement, dated January 10, 2020, by and between Roquette Frères and Beyond Meat, Inc.+</a>	10-Q	8/11/2022	10.3	
10.19	<a href="#">Master Supply Agreement, dated as of December 21, 2018, between Registrant and PURIS Proteins, LLC.+</a>	S-1/A	4/15/2019	10.21	
10.20	<a href="#">Amendment No. 1 to PURIS Master Supply Agreement.</a>	10-Q	11/12/2019	10.1	
10.21	<a href="#">Amendment No. 2 to PURIS Master Supply Agreement.+</a>	10-K	3/2/2022	10.14	
10.22	<a href="#">Form of Indemnification Agreement with directors and executive officers.*</a>	S-1/A	1/9/2019	10.11	
10.23	<a href="#">2011 Equity Incentive Plan, amended as of April 3, 2019, and related forms of stock award agreements.*</a>	S-1/A	4/15/2019	10.12	
10.24	<a href="#">2018 Equity Incentive Plan, and related forms of stock award agreements.*</a>	S-1/A	1/9/2019	10.13	
10.25	<a href="#">Amended form of 2018 Equity Incentive Plan stock option award agreement.*</a>	10-Q	7/29/2019	10.1	
10.26	<a href="#">Amended form of 2018 Equity Incentive Plan restricted stock unit award agreement.*</a>	10-Q	7/29/2019	10.2	
10.27	<a href="#">2018 Employee Stock Purchase Plan.*</a>	S-1/A	1/9/2019	10.14	
10.28	<a href="#">Executive Incentive Bonus Plan.*</a>	S-1	11/16/2018	10.15	
10.29	<a href="#">Form of Executive Change in Control Severance Agreement.*</a>	S-1	11/16/2018	10.16	
10.30	<a href="#">Employment Agreement by and between Registrant and Ethan Brown.*</a>	S-1/A	1/9/2019	10.20	
10.31	<a href="#">Offer Letter dated April 29, 2019 with Teri L. Witteman.*</a>	8-K	5/20/2019	10.1	
10.32	<a href="#">Retirement Agreement, dated February 28, 2021, by and between Beyond Meat, Inc. and Mark J. Nelson.*</a>	8-K	3/1/2021	10.1	
10.33	<a href="#">Consulting Agreement, dated February 28, 2021, by and between Beyond Meat, Inc. and Mark J. Nelson.*</a>	8-K	3/1/2021	10.2	

## EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.34	<a href="#">Form of Confirmation of Base Call Option Transaction, dated March 2, 2021.</a>	8-K	3/05/2021	10.1	
10.35	<a href="#">Form of Confirmation of Additional Call Option Transaction, dated March 12, 2021.</a>	8-K	3/16/2021	10.1	
10.36	<a href="#">Offer Letter dated June 4, 2021 between the Company and Philip E. Hardin.*</a>	8-K	6/10/2021	10.1	
10.37	<a href="#">Offer Letter dated April 21, 2021 between the Company and Deanna Jurgens.*+</a>	10-K	3/2/2022	10.31	
10.38	<a href="#">Offer Letter dated November 5, 2021 between the Company and Douglas W. Ramsey.*</a>	8-K	12/8/2021	10.1	
10.39	<a href="#">Offer Letter dated November 9, 2021 between the Company and George B. Adcock.*+</a>	10-K	03/2/2022	10.33	
10.40	<a href="#">Letter agreement dated November 10, 2022 between the Company and Lubi Kutua.*</a>	8-K	11/16/2022	10.1	
10.41	<a href="#">Separation agreement dated December 4, 2022 between the Company and Deanna Jurgens.*+</a>	8-K	12/6/2022	10.1	
10.42	<a href="#">Offer Letter dated February 16, 2021 between the Company and Jackie Trask.*+</a>				X
10.43	<a href="#">Consulting Agreement dated April 1, 2022 between the Company and Gary Schultz.*+</a>	10-Q	5/12/2022	10.4	
10.44	<a href="#">Amendment dated December 22, 2022 to Consulting Agreement dated April 1, 2022 by and between the Company and Gary Schultz.*</a>				X
14.1	<a href="#">Code of Business Conduct and Ethics, as amended effective as of December 16, 2022</a>				X
21.1	<a href="#">List of Subsidiaries of Beyond Meat, Inc.</a>				X
23.1	<a href="#">Consent of Independent Registered Public Accounting Firm.</a>				X
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				X
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>				X
32.1**	<a href="#">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.</a>				X
32.2**	<a href="#">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.</a>				X

**EXHIBIT INDEX**

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
101	The following financial statements from the Company's Yearly Report on Form 10-K for the fiscal year ended December 31, 2022 formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Loss (iv) Consolidated Statements of Stockholders' (Deficit) Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to 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

\*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 Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

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

**ITEM 16. FORM 10-K SUMMARY.**

None.



## SIGNATURES

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

### BEYOND MEAT, INC.

Date: March 1, 2023

By: /s/ Ethan Brown  
Name: Ethan Brown  
Title: President and Chief Executive Officer

## POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Ethan Brown and Lubi Kutua, and each of them, as such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any and all amendments to this annual report on Form 10-K, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their or such person's substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons, on behalf of the registrant and in the capacities indicated below on March 1, 2023:

Signature	Title
<u>/s/ Ethan Brown</u> Ethan Brown	President, Chief Executive Officer, and Director (Principal Executive Officer)
<u>/s/ Lubi Kutua</u> Lubi Kutua	Chief Financial Officer and Treasurer (Principal Financial Officer)
<u>/s/ Henry Dieu</u> Henry Dieu	Vice President and Corporate Controller (Principal Accounting Officer)
<u>/s/ Seth Goldman</u> Seth Goldman	Chair of the Board
<u>/s/ Sally Grimes</u> Sally Grimes	Director

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*/s/ Colleen Jay*

Colleen Jay

Director

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*/s/ Raymond J. Lane*

Raymond J. Lane

Director

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*/s/ Muktesh Pant*

Muktesh Pant

Director

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*/s/ Ned Segal*

Ned Segal

Director

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*/s/ Christopher Isaac Stone*

Christopher Isaac Stone

Director

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*/s/ Kathy N. Waller*

Kathy N. Waller

Director

**DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

Beyond Meat, Inc. has one class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): its common stock, par value \$0.0001 per share ("common stock"). The following description of our capital stock is a summary and does not purport to be complete. The following description is subject to and qualified in its entirety by reference to our restated certificate of incorporation and amended and restated bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K of which this Exhibit is a part.

We encourage you to read our restated certificate of incorporation, amended and restated bylaws and the applicable provisions of the Delaware General Corporation Law (the "DGCL") for more information. References herein to "we," "our," "us," and "the Company" refer solely to Beyond Meat, Inc.

**General**

Our authorized capital stock consists of 500,500,000 shares of capital stock, par value \$0.0001 per share, of which:

- 500,000,000 shares are designated as common stock; and
- 500,000 shares are designated as preferred stock.

Our board of directors is authorized, without stockholder approval except as required by the listing standards of the Nasdaq Global Select Market ("Nasdaq"), to issue additional shares of our capital stock.

**Voting Rights**

Each holder of common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our restated certificate of incorporation and amended and restated bylaws do not provide for cumulative voting rights. Because of this, the holders of a plurality of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose. With respect to matters other than the election of directors, at any meeting of the stockholders at which a quorum is present or represented, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at such meeting and entitled to vote on the subject matter shall be the act of the stockholders, except as otherwise required by law. The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders.

## **Dividends**

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

## **Liquidation**

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

## **Rights and Preferences**

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

## **Fully Paid and Nonassessable**

All of our outstanding shares of common stock are fully paid and nonassessable.

## **Anti-Takeover Effects of Certain Provisions of Delaware Law, Our Restated Certificate of Incorporation and Our Amended and Restated Bylaws**

Certain provisions of Delaware law and certain provisions in our restated certificate of incorporation and amended and restated bylaws summarized below may be deemed to have an anti-takeover effect and may delay, deter, or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders.

### *Preferred Stock*

Our restated certificate of incorporation contains provisions that permit our board of directors to issue, without any further vote or action by the stockholders, shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting rights (if any) of the shares of the series, and the powers, preferences or relative, participation, optional and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of such series.

### *Classified Board of Directors*

Our restated certificate of incorporation provides that our board of directors is divided into three classes, designated Class I, Class II, and Class III. Each class has an equal number of directors, as nearly as possible, consisting of one-third of the total number of directors constituting our entire board of directors. At each annual meeting of stockholders, successors to the class of directors whose term expires at that annual meeting will be elected for a three-year term.

#### *Removal of Directors*

Our restated certificate of incorporation provides that stockholders may only remove a director for cause by a vote of no less than two-thirds of the shares present in person or by proxy at the meeting and entitled to vote.

#### *Director Vacancies*

Our restated certificate of incorporation authorizes only our board of directors to fill vacant directorships.

#### *No Cumulative Voting*

Our restated certificate of incorporation provides that stockholders do not have the right to cumulate votes in the election of directors.

#### *Special Meetings of Stockholders*

Our restated certificate of incorporation and amended and restated bylaws provide that, except as otherwise required by law, special meetings of the stockholders may be called only by an officer at the request of a majority of our board of directors, by the chairperson of our board of directors, by the lead independent director or by our Chief Executive Officer.

#### *Advance Notice Procedures for Director Nominations*

Our bylaws provide that stockholders seeking to nominate candidates for election as directors at an annual or special meeting of stockholders must provide timely notice thereof in writing. To be timely, a stockholder's notice generally will have to be delivered to and received at our principal executive offices before notice of the meeting is issued by the Secretary of the company, with such notice being served not less than 90 nor more than 120 days before the first anniversary of the preceding year's annual meeting. Although the amended and restated bylaws do not give our board of directors the power to approve or disapprove stockholder nominations of candidates to be elected at an annual meeting, the amended and restated bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the company.

### *Action by Written Consent*

Our restated certificate of incorporation and amended and restated bylaws provide that any action to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by written consent.

### *Amending our Certificate of Incorporation and Bylaws*

Our restated certificate of incorporation may be amended or altered in any manner provided by the DGCL. Our amended and restated bylaws may be adopted, amended, altered, or repealed by stockholders only upon approval of at least a majority of the voting power of all the then outstanding shares of the common stock, except for any amendment of the above provisions, which would require the approval of a two-thirds majority of our then outstanding common stock. Additionally, our restated certificate of incorporation provide that our bylaws may be amended, altered, or repealed by our board of directors.

### *Authorized but Unissued Shares*

Our authorized but unissued shares of common stock and preferred stock will be available for future issuances without stockholder approval, except as required by the listing standards of Nasdaq, and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could render more difficult or discourage an attempt to obtain control of the company by means of a proxy contest, tender offer, merger or otherwise.

### *Exclusive Forum*

Our restated certificate of incorporation provides that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees or agents or our stockholders;
- any action asserting a claim against us arising pursuant to the DGCL; and
- any action regarding our restated certificate of incorporation or our amended and restated bylaws or any action asserting a claim against us that is governed by the internal affairs doctrine;

provided, that with respect to any derivative action or proceeding brought on our behalf to enforce any liability or duty created by the Exchange Act or the rules and regulations

thereunder, the exclusive forum will be the federal district courts of the United States of America.

Our restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

The exclusive forum provisions described above may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees.

#### *Business Combinations with Interested Stockholders*

Subject to certain exceptions, Section 203 of the DGCL prohibits a public Delaware corporation from engaging in a business combination (as defined in such section) with an "interested stockholder" (defined generally as any person who beneficially owns 15% or more of the outstanding voting stock of such corporation or any person affiliated with such person) for a period of three years following the time that such stockholder became an interested stockholder, unless (i) prior to such time the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock of such corporation outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (A) by persons who are directors and also officers of such corporation and (B) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) at or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders (and not by written consent) by the affirmative vote of at least 66 2/3% of the outstanding voting stock of such corporation not owned by the interested stockholder.

#### **Listing**

Our common stock is listed on the Nasdaq Global Select Market under the symbol "BYND."

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Exhibit 10.42

[ADDRESS] 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

February 16, 2021

Jackie Trask  
[ADDRESS]

Dear Jackie,

Beyond Meat, Inc., a Delaware corporation (the "Company"), is pleased to offer you employment with the Company on the terms described below.

1. **Position.** You will start in a full-time, exempt position as the Company's Chief People Officer, and you will report to Ethan Brown, the Company's Chief Executive Officer. You will work remotely until the office has been reopened and employees return to the workplace, at which time you will work full-time at the Company's headquarters in El Segundo, CA. By signing this letter, you confirm with the Company that you are under no contractual or other legal obligations that would prohibit you from performing your duties with the Company.

2. **TriNet HR Corporation.** The Company's benefits, payroll, and other human resource management services are provided through TriNet HR Corporation, a professional employer organization. As a result of the Company's arrangement with TriNet, TriNet will be considered your employer of record for these purposes and your managers at the Company will be responsible for directing your work, reviewing your performance, setting your schedule, and otherwise directing your work at the Company.

3. **Compensation and Employee Benefits.**

(a) **Base Salary.** Your initial base salary will be \$400,000.00 per year, payable on the Company's regular payroll dates.

(b) **Sign-on Cash Bonus.** The Company will pay you a one-time sign-on bonus equal to \$160,000.00 (the "Sign-On Bonus") within 30 days of the date you commence employment with the Company (the "Commencement Date"), subject to your continued employment with the Company through the payment date. You will earn, and be permitted to retain, the full amount of the Sign-On Bonus if you remain employed by the Company through the 1-year anniversary of the Commencement Date. By signing below, you acknowledge and agree that, if before such 1-year anniversary date, you terminate employment with the Company

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for any reason, you will be required to immediately re-pay the full amount of the Sign-On Bonus no later than 30 days following the last day of your employment with the Company.

(c) Annual Bonus. You will be eligible to participate in the Company's Executive Incentive Bonus Plan, with the target amount of your bonus for the 2021 calendar year equal to 50% of your base salary, pro-rated based on the Commencement Date. The Compensation Committee of the Company's Board of Directors (the "Compensation Committee") will determine in its sole and absolute discretion whether you have earned a bonus for each calendar year, including whether any applicable performance objectives have been met and the amount of the bonus.

(d) Relocation. To assist with your relocation closer to the Company's El Segundo Office within 18 months following your start date, the Company shall reimburse you for up to \$50,000 in relocation expenses in accordance with the Company's relocation policy.

(e) Severance. Like other Company executives, you will be eligible for severance pursuant to the terms of the enclosed Executive Change in Control Severance Agreement.

(f) Benefits. As a regular employee of the Company, you will be eligible to participate in a number of Company-sponsored benefits, which are described in the employee benefit summary enclosed with this letter. In addition to Company holidays, you will be entitled to 20 days of Paid Time-Off (PTO).

(g) Annual Review. The Compensation Committee will review your compensation, along with the compensation provided to the Company's other executives, at least annually.

4. Background Check. Like all Company employees, your employment is subject to a background check. As a condition of your employment with the Company, you are required to sign the Company's enclosed background check consent form.

5. Stock Grant. Subject to the approval of the Compensation Committee, you will be granted: (a) an option ("Option") to purchase shares of the Company's common stock ("Common Stock"), and (b) an award of restricted stock units ("RSUs") under the Company's 2018 Equity Incentive Plan (as such plan may be amended and restated from time to time, the ("Plan"). The grants, if approved, will be made at the next regular Compensation Committee meeting following the Commencement Date. For the Option, the number of shares of Common Stock subject to the Option will be determined by dividing the dollar value of the Option award by the Average Closing Price (as defined below), multiplying the resultant total by two (2), and rounding up to the nearest whole number of shares of Common Stock. For the RSU award, the number of shares to be granted will be determined by dividing the dollar value of the RSU award

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by the Average Closing Price and rounding up to the nearest whole number of shares. The Average Closing Price shall be calculated based on the average of the closing prices of Common Stock as reported on the NASDAQ Global Select Market for the period of 10 consecutive trading days ending on (and including) the last trading day prior to the date of grant.

In accordance with the methodology above, you will be eligible to be granted an Option to purchase Common Stock valued at \$375,000 subject to the terms and conditions of the Plan and the applicable stock option agreement. The exercise price for the Option will be no less than the fair market value of the Common Stock, as determined according to the Plan, on the grant date. Generally, the Option will vest and become exercisable over four years as follows: 25% of the total number of shares subject to the Option will vest and become exercisable on the 12-month anniversary of the Commencement Date and 1/48th of the total number of shares subject to the Option will vest and become exercisable in monthly installments thereafter, subject to your continuous service through each vesting date, as described in the applicable stock option agreement.

In accordance with the methodology above, you will be eligible to be granted an award of RSUs valued at \$375,000, subject to the terms and conditions of the Plan and the applicable RSU agreement. Generally, the RSUs will vest and become non-forfeitable as follows: 25% of the RSUs will vest on the 12-month anniversary of the Commencement Date and 1/16th of the RSUs will vest in quarterly installments thereafter, subject to applicable taxes and withholdings, and subject to your continuous service through each vesting date, as described in the applicable RSU agreement.

6. **Confidential Information and Invention Assignment Agreement.** Like all Company employees, you will be required, as a condition of your employment with the Company, to sign the Company's enclosed standard Confidential Information and Invention Assignment Agreement.

7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by this offer. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and the Company's Chief Executive Officer.

8. **Outside Activities.** While you render services to the Company, you agree that you will not engage in any other employment, consulting or other business activity without the

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written consent of the Company. In addition, while you render services to the Company, you will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees or consultants of the Company.

9. **Taxes, Withholding and Required Deductions.** All forms of compensation referred to in this letter are subject to all applicable taxes, withholding, and any other deductions required by applicable law.

10. **Entire Agreement.** This letter supersedes and replaces any prior understandings or agreements, whether oral, written or implied, between you and the Company regarding the matters described in this letter.

*[Signature Page Follows]*

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If you wish to accept this offer, please sign, date and return this letter to the Company, along with the enclosed Executive Change in Control Severance Agreement and Confidential Information and Invention Assignment Agreement, on or before Monday, February 22, 2021. As required, by law, your employment with the Company is also contingent upon your providing legal proof of your identity and authorization to work in the United States. We look forward to having you join us!

Very truly yours,

By: /s/ Ethan Brown

(Signature)

Name: Ethan Brown

Title: Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Jackie Trask

(Signature)

February 18, 2021

Date

Anticipated Start Date: March 10, 2021

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**Consulting Agreement Amendment No.1**

This Consulting Agreement Amendment No.1 (this "Amendment") is made December 22, 2022 (the "Amendment Effective Date") by Beyond Meat, Inc. ("Beyond Meat"), and Gary Schultz, a resident of California ("Consultant") and amends and supplements the Beyond Meat® Consulting Agreement dated April 1, 2022 between the parties (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 hereby amend the Agreement as follows:

1. Section 4 is amended by replacing the first sentence in total with the following:

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 March 31, 2023, with an option for renewal if agreed in writing by both Parties.

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.**

**Consultant**

Signature: /s/ Henry Dieu

Signature: /s/ Gary Schultz

Print Name: Henry Dieu

Print Name: Gary Schultz

Title: VP, Controller

Title: Consultant

## BEYOND MEAT, INC.

## CODE OF BUSINESS CONDUCT AND ETHICS

(Amended effective as of December 16, 2022)

**1. PURPOSE**

Beyond Meat, Inc. (collectively with its subsidiaries, the “Company”) is committed to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, the Company has adopted this Code of Business Conduct and Ethics (this “Code”). The Company has adopted this Code to set expectations and provide guidance applicable to all members of the Company’s Board of Directors (the “Board”) and officers, employees, independent contractors and consultants of the Company (all such persons for purposes of this Code, “employees”). All employees are responsible for reading and understanding this Code and using it as a guide to the performance of their responsibilities for the Company. No one has the authority to make an employee violate this Code, and any attempt to direct or otherwise influence someone else to commit a violation is unacceptable. This Code cannot address every ethical issue or circumstance that may arise. Accordingly, in complying with the letter and spirit of this Code, it is the employee’s responsibility to apply common sense, together with high personal standards of ethics, honesty and accountability, in making business decisions where this Code has no specific guideline. Employees should consider not only their own conduct, but also that of their family members. Throughout this Code, the term “family member” refers to an employee’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such employee’s home (other than a tenant or employee).

In addition, each employee is expected to comply with all other Company policies and procedures that may apply to employees, many of which supplement this Code by providing more detailed guidance. The Company may modify or update these specific policies and procedures from time to time and adopt new Company policies and procedures in the future.

Nothing in this Code is intended to alter existing legal rights and obligations of the Company or any of its employees, including “at-will” employment arrangements or other arrangements or agreements that the Company may have with its employees.

The Company expects all of its directors, executives, managers and other supervisory personnel to act with honesty and integrity, use due care and diligence in performing responsibilities to the Company, help foster a sense of commitment to this Code among its employees and foster a culture of fairness, honesty and accountability within the Company. The Company also expects such personnel to ensure that the Company’s agents and contractors conform to the standards of this Code when working on the Company’s behalf.

If a director needs help understanding this Code, or how it applies to conduct in any given situation, the director should contact the Chairperson (the “Audit Chair”) of the Audit Committee of the Board (the “Audit Committee”) or, in the case of the Audit Chair, the Company’s Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer, who may consult with inside or outside legal counsel as appropriate. If an employee (other than a director) needs help understanding this Code, or how it applies to conduct in any given situation, the employee should contact a supervisor or the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer. In addition, the employee should be alert to possible violations of this Code by others and should report suspected violations without fear of any form of retaliation. See Section 19 (Compliance Standards and Procedures) for a description of whom to contact with questions or how to report suspected violations of the Code.

Anyone who violates the standards in this Code will be subject to appropriate action, which, in certain circumstances, may include (a) for directors, removal from the Board, legal action or referral for criminal prosecution and (b) for employees (other than directors), termination of employment or service provider relationship for cause, legal action or referral for criminal prosecution.

## OBEY THE LAW

### 2. LEGAL COMPLIANCE

Directors and employees must always obey the law while performing their duties to the Company. The Company's success depends upon each employee operating within legal guidelines and cooperating with authorities. It is essential that all employees know and understand the legal and regulatory requirements that apply to the Company's business and to their specific area of responsibility. While an employee is not expected to have complete mastery of these laws, rules and regulations, employees are expected to be able to recognize situations that require consultation with others to determine the appropriate course of action. See Section 19 (Compliance Standards and Procedures) for a description of whom to contact with questions about legal compliance.

### 3. INSIDER TRADING

Every director and employee is prohibited from using "inside" or material nonpublic information about the Company, or about companies with which the Company does business, in connection with buying or selling the Company's or such other companies' securities, including "tipping" others who might make an investment decision on the basis of this information. It is illegal, and it is a violation of this Code, the Company's Insider Trading Policy (the "[Insider Trading Policy](#)") and other Company policies, to tip or to trade on inside information. Employees who have access to inside information are not permitted to use or share that inside information for stock trading purposes or for any other purpose except to conduct Company business.

Employees must exercise the utmost care when in possession of material nonpublic information. The Insider Trading Policy provides guidance on the types of information that might be nonpublic and material for these purposes, and guidelines on when and how an employee may purchase or sell shares of Company stock or other Company securities.

Please review the Insider Trading Policy for additional information.

### 4. INTERNATIONAL BUSINESS LAWS

Directors and employees are expected to comply with all applicable laws wherever they travel on Company business, including laws prohibiting bribery, corruption or the conduct of business with specified individuals, companies or countries. Directors and employees are also expected to comply with U.S. laws, rules and regulations governing the conduct of business by U.S. citizens and entities outside the United States.

These laws, rules and regulations include:

- the U.S. Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a non-U.S. government official to obtain or retain business or favorable treatment, and requires the maintenance of accurate books and records and internal controls;
- Other anti-corruption laws that could apply to our business that prohibit public corruption, commercial bribery, and receiving bribes, such as the Criminal Law of the People's Republic of China and the UK Bribery Act of 2010;
- U.S. embargoes, which restrict or, in some cases, prohibit U.S. persons, corporations and, in some cases, foreign subsidiaries from doing business with certain countries, groups or individuals;
- U.S. export controls, which restrict travel to designated countries, prohibit or restrict exporting from the U.S. goods, services and technology to designated countries and identified persons or entities, and prohibit or restrict the re-export of U.S.-origin goods from the country of original destination to designated countries or identified persons or entities; U.S. anti-boycott compliance, which prohibits U.S. companies from taking any action that has the effect of furthering any unsanctioned boycott of a country friendly to the United States; and
- Anti-money laundering, financial crime, and anti-terrorism laws and regulations that prohibit criminals from moving funds generated from criminal activity through legitimate businesses to hide their criminal origins.

For additional information, please see the Company's Anti-Corruption Policy and any other related policies that the Company may adopt from time to time.

## **5. LAWSUITS, LEGAL PROCEEDINGS AND RECORD PRESERVATION**

The Company complies with all laws and regulations regarding the preservation of records. Lawsuits, legal proceedings and investigations concerning the Company must be handled promptly and properly. An employee must contact the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer immediately upon receipt of a court order or a court-issued document, or notice of a threatened lawsuit, legal proceeding or investigation.

A legal hold suspends all document destruction procedures in order to preserve appropriate records under special circumstances, such as litigation or government investigations. When there is a "legal hold" in place, employees may not alter, destroy, or discard documents relevant to the lawsuit, legal proceeding or investigation. The Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer determines and identifies what types of records or documents are required to be placed under a legal hold and will notify employees if a legal hold is placed on records for which they are responsible.

If an employee is involved on the Company's behalf in a lawsuit or other legal dispute, such employee must avoid discussing it with anyone inside or outside of the Company without prior approval of the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer. Employees and their managers are required to cooperate fully with the Company's legal department in the course of any lawsuit, legal proceeding or investigation.

## **ETHICAL OBLIGATIONS**

### **6. CONFLICTS OF INTEREST**

Employees are expected to avoid actual or apparent conflicts of interest between their personal and professional relationships. For directors, this may include recusal from discussions of the Board when their participation could be perceived as creating such a conflict. A "conflict of interest" occurs when a personal interest interferes in any way (or even appears or could reasonably be expected to interfere) with the interests of the Company as a whole.

Sometimes conflicts of interest arise when an employee takes some action or has some outside interest, duty, responsibility or obligation that conflicts with an interest of the Company or the employee's duty to the Company. A conflict of interest can arise when an employee takes actions or has interests that may make it difficult to perform the employee's duties objectively and effectively. Conflicts of interest can also arise when an employee or relative of an employee (including a family member of an employee) receives improper personal benefits as a result of the employee's position at the Company.

In evaluating whether an actual or contemplated activity may involve a conflict of interest, employees should consider:

- whether the activity would appear improper to an outsider;
- whether the activity could interfere with an employee's job performance or morale or that of another Company employee;
- whether the employee has access to confidential Company information or influence over significant Company resources or decisions;
- the potential impact of the activity on the Company's business relationships, including relationships with business partners and service providers;
- the extent to which the activity could benefit the employee or the employee's relatives, directly or indirectly;
- any overlap between the employee's specific role at the Company; and
- whether the investment is in a publicly traded or non-publicly traded company.

A few examples of activities that could involve conflicts of interests include:



- **Aiding the Company's competitors.** This could take the form of service as a member of the board of directors of a competitor, passing confidential Company information to a competitor or accepting payments or other benefits from a competitor. If employees are concerned about whether an interaction with a competitor constitutes a conflict of interest they should consult with their supervisor and the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer.
- **Involvement with any business that does business with the Company or seeks to do business with the Company.** Employment by or service on the board of directors of a business partner, supplier or service provider is generally discouraged, and an employee (other than a director) must seek authorization from the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer in advance if the employee plans to have such a relationship. A director must consult with the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer) if the director plans to have such a relationship.
- **Owning a significant financial interest in a competitor or a business that does business with the Company or seeks to do business with the Company.** In evaluating such interests for conflicts, both direct and indirect interests that employees or their relatives may have should be considered, along with factors such as the following:
  - o the size and nature of the interest;
  - o the nature of the Company's relationship with the other business;
  - o whether an employee has access to confidential Company information; and
  - o whether an employee has an ability to influence Company decisions that would affect the other entity.

If a director has or wishes to acquire a significant financial interest in a competitor, or in a business partner, supplier or service provider with which the director has direct business dealings (or approval responsibilities), the director must consult with the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer). If an employee has or wishes to acquire a significant financial interest in a competitor, or in a business partner, supplier or service provider with which the employee has direct business dealings (or approval responsibilities), the employee must consult with the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer. Similarly, if an employee experiences a change of position or seniority that results in having direct business dealings with a business partner or service provider in which the employee already has a significant financial interest, the employee must consult with the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer.

- **Soliciting or accepting payments, gifts, loans, favors or preferential treatment from any person or entity that does or seeks to do business with the Company.** See Section 10 (Gifts and Entertainment) for further discussion of the issues involved in this type of potential conflict.
- **Taking personal advantage of corporate opportunities.** See Section 7 (Corporate Opportunities) for further discussion of the issues involved in this type of conflict.
- **Having authority on behalf of the Company over a co-worker who is also a family member, or transacting business on behalf of the Company with a family member.** If employees may be involved in such situations, they should consult with their supervisors and the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer to assess the situation and determine an appropriate resolution.

Employees must avoid these situations (and others like them), and any other situations where their loyalty to the Company could be compromised. If an employee (other than a director) believes that the employee is or may become involved in a potential conflict of interest, the employee must discuss it with, and seek a determination and prior authorization or approval from, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer. If a director believes a situation may exist in which the director has a conflict of interest that would interfere with the ability to perform the director's responsibilities as a director, the director must promptly notify the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer). In

such a scenario, the Audit Committee, acting where appropriate on the advice and guidance of counsel, will review all relevant facts and may (i) determine that the conduct or situation does not amount to a conflict of interest, (ii) provide guidance to avoid a conflict from developing (such as suggesting recusal from consideration and/or approval of specific matters that come before the Board) or (iii) declare that the director may not pursue a certain course of action, or must terminate the conflict. In addition, all related-party transactions, whether or not deemed to be a conflict of interest, must be approved in accordance with the Company's Related-Party Transactions Policy.

#### Special Note Regarding Employee Loans

Loans to employees or their family members by the Company, or guarantees of their loan obligations, could constitute an improper personal benefit to the recipients of these loans or guarantees. Accordingly, Company loans and guarantees for executive officers and directors are expressly prohibited by law and Company policy. In addition, approval of the Human Capital Management and Compensation Committee of the Board is required for any Company loan to any other employee.

### **7. CORPORATE OPPORTUNITIES**

Employees may not compete with the Company or take personal advantage of business opportunities that the Company might want to pursue. Employees are prohibited from taking for themselves personally (or for the benefit of friends or family members) opportunities that are discovered through the use of Company property, information or position. Even opportunities that are acquired through independent sources may be questionable if they are related to the Company's existing or proposed lines of business.

No employee may use Company property, information or position for personal gain. Employees owe a duty to the Company to advance the Company's legitimate business interests when opportunities arise. Accordingly, participation by employees in outside business opportunities that are related to the Company's existing or proposed lines of business is prohibited.

Directors should consult with the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer) and employees (other than directors) should consult with the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer, in each case, to determine an appropriate course of action if interested in pursuing an opportunity that they discovered through their Company position or use of Company property or information.

### **8. FINANCIAL INTEGRITY; PUBLIC REPORTING**

The Company strives to maintain integrity of the Company's records and public disclosure. The Company's corporate and business records, including all supporting entries to the Company's books of account, must be completed honestly, accurately and understandably. The Company's records are important to investors and creditors. They serve as a basis for managing the Company's business and are important in meeting the Company's obligations to business partners, suppliers, vendors, creditors, employees and others with whom the Company does business. The Company depends on the books, records and accounts accurately and fairly reflecting, in reasonable detail, the Company's assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities.

To help ensure the integrity of the Company's records and public disclosure, the Company requires that:

- no entry be made in the Company's books and records that is intentionally false or misleading;
- transactions be supported by appropriate documentation;
- the terms of sales and other commercial transactions be reflected accurately in the documentation for those transactions and all such documentation be reflected accurately in the Company's books and records;
- employees comply with the Company's system of internal controls and be held accountable for their entries;
- any off-balance sheet arrangements of the Company are clearly and appropriately disclosed;

- employees work cooperatively with the Company's independent auditors in their review of the Company's financial statements and disclosure documents;
- no cash or other assets be maintained for any purpose in any unrecorded or "off-the-books" fund; and
- records be retained or destroyed according to the Company's document retention policies or procedures then in effect.

The Company's disclosure controls and procedures are designed to help ensure that the Company's reports and documents filed with or submitted to the U.S. Securities and Exchange Commission (the "SEC") and other public disclosures are complete, fair, accurate, fairly present the Company's financial condition and results of operations and are timely and understandable. Employees who collect, provide or analyze information for or otherwise contribute in any way in preparing or verifying these reports should be familiar with and adhere to all disclosure controls and procedures and generally assist the Company in producing financial disclosures that contain all of the information about the Company that is required by law and would be important to enable investors to understand the Company's business and its attendant risks. These controls and procedures include, but are not limited to, the following:

- no employee may take or authorize any action that would cause the Company's financial records or financial disclosure to fail to comply with generally accepted accounting principles, the rules and regulations of the SEC or other applicable laws, rules and regulations;
- all employees must cooperate fully with the Company's finance department, as well as the Company's independent auditors and legal counsel, respond to their questions with candor and provide them with complete and accurate information to help ensure that the Company's books and records, as well as its reports filed with the SEC, are accurate and complete; and
- no employee should knowingly make (or cause or encourage any other person to make) any false or misleading statement in any of the Company's reports filed with the SEC or knowingly omit (or cause or encourage any other person to omit) any information necessary to make the disclosure in any of such reports accurate in all material respects.

In connection with the preparation of the financial and other disclosures that the Company makes to the public, including by press release or filing a document with the SEC, directors must, in addition to complying with all applicable laws, rules and regulations, follow these guidelines:

- act honestly, ethically, and with integrity;
- comply with this Code;
- endeavor to ensure complete, fair, accurate, timely and understandable disclosure in the Company's filings with the SEC;
- raise questions and concerns regarding the Company's public disclosures when necessary and ensure that such questions and concerns are appropriately addressed;
- act in good faith in accordance with the director's business judgment, without misrepresenting material facts or allowing independent judgment to be subordinated by others; and
- comply with the Company's disclosure controls and procedures and internal controls over financial reporting.

If an employee becomes aware that the Company's public disclosures are not complete, fair and accurate, or if an employee becomes aware of a transaction or development that the employee believes may require disclosure, the employee should report the matter immediately.

## **9. CONDUCT OF SENIOR FINANCIAL EMPLOYEES**

The Company's finance department has a special responsibility to promote integrity throughout the organization, with responsibilities to stakeholders both inside and outside of the Company. As such, the Board requires that the Chief Executive Officer and senior personnel in the Company's finance department adhere to the following ethical principles and accept the obligation to foster a culture

throughout the Company as a whole that ensures the accurate and timely reporting of the Company's financial results and condition.

Because of this special role, the Company requires that the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Corporate Controller and any other persons performing similar functions ("Senior Financial Employees"):

- Act with honesty and integrity and use due care and diligence in performing their responsibilities to the Company.
- Avoid situations that represent actual or apparent conflicts of interest with their responsibilities to the Company, and disclose promptly to the Audit Committee, any transaction or personal or professional relationship that reasonably could be expected to give rise to such an actual or apparent conflict. Without limiting the foregoing, and for the sake of avoiding an implication of impropriety, Senior Financial Employees shall not:
  - o accept any material gift or other gratuitous benefit from a business partner, supplier or vendor of products or services, including professional services, to the Company (this prohibition is not intended to preclude ordinary course entertainment or similar social events; see Section 10 (Gifts and Entertainment) for further discussion of the issues involved in this type of potential conflict);
  - o except with the approval of the disinterested members of the Board, directly invest in any privately-held company that is a business partner, supplier or vendor of the Company where the Senior Financial Employee, either directly or through people in such Senior Financial Employee's chain of command, has responsibility or ability to affect or implement the Company's relationship with the other company; or
  - o maintain more than a passive investment of greater than 1% of the outstanding shares of a public company that is a business partner, supplier or vendor of the Company.
- Provide constituents with information that is accurate, complete, objective, relevant, timely and understandable, including information for inclusion in the Company's submissions to governmental agencies or in public statements.
- Comply with applicable laws, rules, and regulations of federal, state and local governments, and of any applicable public or private regulatory and listing authorities.
- Achieve responsible use of and control over all assets and resources entrusted to each Senior Financial Employee.

#### **10. GIFTS, ENTERTAINMENT, AND TRAVEL EXPENSES**

Business gifts and entertainment are meant to create goodwill and sound working relationships and not to gain improper advantage with customers or facilitate approvals from government officials. All employees must be careful to avoid even the appearance of impropriety in giving or receiving gifts, entertainment, or travel expenses. In general, an employee cannot offer, provide or accept any gifts, entertainment or travel expenses in connection with an employee's service to the Company except in a manner consistent with customary business practices, such as customary and reasonable meals and entertainment.

Gifts and entertainment must not be excessive in value, in cash, susceptible of being construed as a bribe or kickback, or in violation of any laws. This principle applies to the Company's transactions everywhere in the world, even if it conflicts with local custom. Under some statutes, such as the U.S. Foreign Corrupt Practices Act, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction.

Under the Company's Anti-Corruption Policy, pre-approval in writing by the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer, is required before providing a gift, entertainment, or travel expenses to a public official, or in the case of non-public officials, providing any gift or entertainment valued over \$500 per recipient. For additional information, please see the Company's Anti-Corruption Policy, as well as any local policies or procedures regarding gifts and entertainment.

## **11. POLITICAL CONTRIBUTIONS AND GIFTS, CHARITABLE ACTIVITIES**

The Company does not make contributions or payments that could be considered a contribution to a political party or candidate, or to intermediary organizations such as political action committees. However, an employee is free to exercise an employee's right to make personal political contributions within legal limits. An employee should not make these contributions in a way that might appear to be an endorsement or contribution by the Company. The Company will not reimburse an employee for any political contribution.

The Company may make charitable donations from time to time using corporate funds, including financial contributions or donations of in-kind items. Charitable activity may not be given as a quid pro quo or improper benefit to a government official or private person in exchange for business or a business advantage for the Company. Charitable donations must be approved according to relevant Company policies, and all such donations must be completely and accurately recorded in the Company's books and records.

### **TREAT OTHERS INSIDE AND OUTSIDE OF THE COMPANY FAIRLY AND HONESTLY**

## **12. COMPETITION AND FAIR DEALING**

The Company strives to compete vigorously and to gain advantages over its competitors through superior business performance, not through unethical or illegal business practices. No employee may through improper means acquire proprietary information from others, possess trade secret information or induce disclosure of confidential information from past or present employees of other companies. If an employee becomes aware of the improper acquisition of this type of information, the employee should report it immediately.

Employees are expected to deal fairly and honestly with anyone with whom they have contact in the course of performing their duties to the Company. The making of false or misleading statements about the Company's competitors is prohibited by this Code, inconsistent with the Company's reputation for integrity and harmful to the Company's business. Employees may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misuse of confidential information, misrepresentation of material facts or any other unfair business practice.

Employees involved in procurement have a special responsibility to adhere to principles of fair competition in the purchase of products and services by selecting suppliers based exclusively on typical commercial considerations, such as quality, cost, availability, service and reputation, and not on the receipt of special favors.

Employees involved in sales have a special responsibility to abide by all Company policies regarding selling activities, including Company policies relevant to revenue recognition.

#### Special Note Regarding Antitrust Laws

Antitrust laws are designed to protect customers and the competitive process. These laws generally prohibit the Company from establishing:

- price fixing arrangements with competitors or resellers;
- arrangements with competitors to share pricing information or other competitive marketing information, or to allocate markets or customers;
- agreements with competitors or customers to boycott particular business partners, customers or competitors; or
- a monopoly or attempted monopoly through anticompetitive conduct.

Some kinds of information, such as pricing, production and inventory, should never be exchanged with competitors, regardless of how innocent or casual the exchange may be, because even where no formal arrangement exists, merely exchanging information can create the appearance of an improper arrangement.

In all contacts with competitors, whether at trade or business association meetings or in other applicable venues, do not discuss pricing policy, contract terms, costs, inventories, marketing and product plans, market surveys and studies, production plans and capabilities. Discussion of these subjects or collaboration on them with competitors can be illegal. If a competitor mentions any of these topics in the course of a discussion with an employee, such employee should object, stop the conversation immediately and tell the competitor that under no circumstances will the employee discuss these matters.

Noncompliance with the antitrust laws can have extremely negative consequences for the Company, including negative publicity, long and costly investigations and lawsuits and substantial fines or damages. Understanding the requirements of antitrust and unfair competition laws of the jurisdictions where the Company does business can be difficult, and employees are urged to seek assistance from their supervisors or the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer whenever they have questions relating to these laws.

### **13. CONFIDENTIALITY**

The Company depends upon its confidential information, and relies on a combination of patent, copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect it. Confidential information includes (a) business, marketing, product and service plans; (b) business and pricing strategies; (c) financial information and forecasts; (d) product architecture, source codes, engineering ideas, designs, data, databases, technical information and other intellectual property; (e) personnel information; (f) business partner, supplier and customer lists and data; (g) similar types of information provided to the Company by its business partners, distributors, suppliers or vendors; and (h) all other non-public information (regardless of its source) that might be of use to competitors or harmful to the Company or its business partners, suppliers or vendors, if disclosed, all of which is more fully described in the employee confidential information and invention assignment agreement or similar agreement (including consulting or contractor agreements) that employees (other than directors) signed when they joined the Company. The Company cannot protect its confidential information without its employees' help. Employees who have had access to confidential Company information must keep it confidential at all times, both while working for the Company and after employment ends and directors must keep Company information confidential at all times, including at all times after such director ceases to be a director.

Employees must not share confidential Company information, or any confidential information of a business partner, supplier or vendor with anyone who has not been authorized to receive it, except when disclosure is authorized or legally mandated. Unauthorized use or distribution of this information is extremely serious; it would violate the confidential information and invention assignment agreement or similar agreement (including consulting or contractor agreement) and it could be illegal and result in civil liability or criminal penalties. It would also violate the Company's trust in an employee, and the trust of a business partner, supplier or vendor in the Company.

Directors and employees must take precautions to prevent unauthorized disclosure of confidential information. Materials that contain confidential information, such as files, memos, notebooks, computer disks, mobile devices, memory sticks and laptop computers, should be stored securely. Accordingly, directors and employees should also take steps to ensure that business-related paperwork and documents are produced, copied, faxed, filed, stored and discarded by means designed to minimize the risk that unauthorized persons might obtain access to confidential information. Directors and employees should not discuss sensitive matters or confidential information in public places.

Employees may not discuss the Company's business or confidential information in public places, including posting confidential Company information on the internet or through social media platforms, regardless of whether employees use their own name or a pseudonym, and directors should avoid discussing confidential information on cellular phones to the extent practicable. Please see the Company's Corporate Communications and Social Media Policy for additional information.

All Company emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated outside of the Company, except where required for legitimate business purposes. Please see the Company's Corporate Communications and Social Media Policy for additional information.

Employees are required to observe the provisions of any other specific policy regarding data protection, privacy and confidential information that the Company may adopt from time to time, as well as any applicable laws relating to data protection and privacy. If an employee becomes aware of any

instance of inappropriate handling of information or data or any security breach, the employee should report it immediately.

#### **14. PROTECTION AND PROPER USE OF COMPANY ASSETS**

All employees are expected to protect the Company's assets and ensure their efficient use for legitimate business purposes. These assets include the Company's proprietary information, including intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business and marketing plans and manufacturing ideas, designs, databases, records and any nonpublic financial data or reports. Theft, carelessness and waste have a direct impact on the Company's business and operating results. Company property, such as computer equipment, buildings, furniture and furnishings, office supplies, products and inventories, should be used only for activities related to an employee's employment, although incidental personal use is permitted. The Company retains the right to access, review, monitor and disclose any information transmitted, received or stored using the Company's electronic equipment, with or without an employee's or third party's knowledge, consent or approval. Any theft, misuse or suspected theft or misuse of the Company's assets that becomes known to an employee must be immediately reported.

#### **15. MEDIA CONTACTS AND PUBLIC COMMUNICATIONS**

It is the Company's policy to disclose material information concerning the Company to the public only in accordance with the Company's Corporate Communications and Social Media Policy in order to avoid inappropriate publicity and to ensure that all such information is communicated in a way that is reasonably designed to provide broad, non-exclusionary distribution of information to the public. Only those individuals designated as official spokespersons in the Company's Corporate Communications and Social Media Policy may address questions regarding financial matters. Please see the Company's Corporate Communications and Social Media Policy for additional information.

#### **16. EQUAL OPPORTUNITY AND DIVERSITY AND INCLUSION**

The Company is committed to a diverse and inclusive workplace, accessibility, and equal opportunities for everyone. We work hard to ensure that everyone at the Company – including our employees but also our customers, suppliers, and business partners – are treated equally. We value the diverse backgrounds of our employees, and believe these unique perspectives and abilities are part of the strength of our business.

In keeping with this commitment, the Company is an equal employment opportunity employer. This means that employment decisions are to be based on merit and business needs, and not based upon race, color, citizenship status, religious creed, national origin, ancestry, gender, sexual orientation, gender identity or gender expression, age, marital status, veteran status, pregnancy, physical or mental disability, medical condition, family and medical care leave status or any other condition prohibited by law.

#### **17. RESPECT AND DIGNITY IN THE WORKPLACE**

The Company believes that all employees must be treated with dignity and respect. Employees have the right to work in a place that is free from harassment, bullying, abuse and intimidation, sexual or otherwise, or acts or threats of physical violence or abuse. We do not tolerate verbal or physical conduct that demeans another person, interferes with work performance, or creates an intimidating, abusive, hostile or offensive work environment.

The Company does not tolerate harassment of any kind, which could include slurs, offensive or unwelcome remarks, or inappropriate or derogatory jokes (whether explicit or innuendo). Harassment can take many forms, including physical gestures, electronic communications, or other visual, verbal or physical conduct that could create an intimidating, hostile or offensive work environment. In addition, "sexual harassment" includes unwelcome sexual advances, sharing or circulating sexually explicit pictures or materials, requests for sexual favors, or other conduct of a sexual nature. Harassment of any kind is unacceptable and prohibited.

### **ADMINISTRATIVE MATTERS**

#### **18. AMENDMENT AND WAIVER**

Any amendment or waiver of this Code must be in writing and must be authorized by a majority of the members of the Board or, to the extent permissible under applicable laws, rules and regulations, a

committee of the Board if the Board has delegated such authority to a committee. The Company will notify employees of any material changes to this Code. Any such amendment or waiver may be publicly disclosed if required by applicable laws, rules and regulations.

## 19. COMPLIANCE STANDARDS AND PROCEDURES

### Compliance Resources

The Company has an obligation to promote ethical behavior. Directors are encouraged to talk to the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer) when in doubt about the application of any provision of this Code, and employees (other than directors) are encouraged to talk to their supervisors, managers and other appropriate personnel (including the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer) when in doubt about the application of any provision of this Code.

In addition to fielding questions with respect to interpretation or potential violations of this Code, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer is responsible for:

- investigating possible violations of this Code;
- training new employees in Code policies;
- conducting training sessions to refresh employees' familiarity with this Code;
- recommending updates to this Code as needed for approval by the Audit Committee, to reflect changes in the law, Company operations and recognized best practices, and to reflect Company experience with this Code; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

For directors, the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer) is the most immediate resource for any matter related to this Code. For employees (other than directors), the supervisor of an employee is the most immediate resource for any matter related to this Code. Supervisors may have relevant information or may be able to refer questions to another appropriate source. There may, however, be times when an employee prefers not to go to the employee's supervisor. In these instances, employees should feel free to discuss their concern with the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer. If an employee (other than a director) is uncomfortable speaking with the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer because the Chief Legal Officer or Chief Financial Officer works in the employee's department or is one of the employee's supervisors, please contact the chair of the Risk Committee (the "Risk Committee") of the Board (for non-financial compliance matters including enterprise-wide risks such as strategic and operational risks and legal, compliance and ethics risks), the Audit Chair (for matters related to accounting, internal accounting, controls or auditing), or the chair of the Nominating & Corporate Governance Committee of the Board (for all other matters).

### Clarifying Questions and Concerns

If a director encounters a situation or is considering a course of action and its appropriateness is unclear, the director should discuss the matter promptly with the Audit Chair (or, in the case of the Audit Chair, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer).

If an employee encounters a situation or is considering a course of action and its appropriateness is unclear, the employee should discuss the matter promptly with the employee's supervisor or the Chief Legal Officer. Even the appearance of impropriety can be very damaging to the Company and should be avoided.

### Reporting Possible Violations; Non-Retaliation Policy

If an employee is aware of a suspected or actual violation of this Code by others, it is the employee's responsibility to report it. Employees and directors *must* make an immediate report of any suspected or actual violations (whether or not based on personal knowledge) of applicable law or regulations or the Anti-Corruption Policy.



Employees who wish to submit a concern or complaint regarding a possible violation of this Code can contact their supervisor or use any of the following mechanisms:

- (i) the Company's ethics hotline, which can be accessed 24 hours a day, 7 days a week by telephone at 866-759-7890. The third-party ethics hotline provider will route all reports received directly to the Chair of the Audit Committee, the Company's Chief Legal Officer, and the Company's Chief Financial Officer;
- (ii) the Company's confidential, anonymous web submission system, which can be accessed at <https://www.whistleblowerservices.com/beyondmeat>;
- (iii) the Audit Committee of the Company's Board of Directors (or its designee) or the Audit Chair; or
- (iv) any of the officers of the Company, including the Chief Executive Officer, Chief Legal Officer, or Chief Financial Officer.

As permitted by law, reporting can be anonymous. Supervisors must promptly report any complaints or observations of Code violations to the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer.

Employees and directors should refer to the Company's Whistle-Blower Policy and Procedures to report accounting, internal accounting controls or auditing matters or possible violations of the federal securities laws.

Employees should raise questions or report potential violations of this Code without any fear of retaliation in any form; it is the Company's policy not to retaliate in such circumstances and the Company will take prompt disciplinary action, up to and including termination of employment or service provider relationship for cause, against any employee who retaliates against the reporting employee.

#### Investigations

The Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances. As needed, the Chief Legal Officer or, if there shall be no Chief Legal Officer, the Chief Financial Officer will consult with the Human Resources department, the Audit Committee, the Governance Committee and outside counsel, as appropriate.

The Audit Committee may conduct its own investigations of Code violations as it deems appropriate, including investigations related to accounting, internal accounting controls or auditing matters, or possible violations of the federal securities laws, as set forth in the Company's Whistle-Blower Policy and Procedures.

If the investigation indicates that a violation of this Code has probably occurred, the Company will take such action as it believes to be appropriate under the circumstances. If the Company determines that an employee is responsible for a Code violation, the employee will be subject to disciplinary action up to, and including, termination of employment for cause and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action may also be taken to deter any future Code violations.

## **20. NO RIGHTS CREATED**

This Code is a statement of fundamental principles, policies and procedures that govern the conduct of the Company's employees. It is not intended to and does not create any legal rights for any business partner, supplier, vendor, competitor, stockholder or any other non-employee or entity.

## **21. ADMINISTRATION OF THIS CODE**

The Audit Committee will assist the Risk Committee and Chief Legal Officer, in reviewing this Code as set forth in the Audit Committee's charter and overseeing the establishment of procedures for the prompt internal reporting of violations of this Code. It may request reports from the Company's executive officers about the implementation of this Code and may take any steps in connection with the implementation of this Code as it deems necessary, subject to the limitations set forth in this Code. The Audit Committee will have the authority to review and assess this Code and recommend revisions for approval by the Board. The Company will notify directors of any material changes to this Code.

Subsidiaries of Beyond Meat, Inc.

Subsidiaries

Beyond Meat EU B.V.

Beyond Meat (Jiaxing) Food Co., Ltd.

Beyond Meat Canada Inc.

Jurisdiction

Netherlands

Zhejiang Province, China

Canada

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-263263, 333-238304 and 333-231186 on Form S-8 of our reports dated March 1, 2023, relating to the financial statements of Beyond Meat, Inc. and the effectiveness of Beyond Meat, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

Los Angeles, California  
March 1, 2023

**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 Annual Report on Form 10-K 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: March 1, 2023

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

**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, Lubi Kutua, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: March 1, 2023

By: /s/ Lubi Kutua  
Lubi Kutua  
Chief Financial Officer and Treasurer  
(Principal Financial Officer)

**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 Annual Report on Form 10-K of the Company for the year ended December 31, 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: March 1, 2023

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.



**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, Lubi Kutua, 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 Annual Report on Form 10-K of the Company for the year ended December 31, 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: March 1, 2023

By: /s/ Lubi Kutua  
Lubi Kutua  
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.