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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **June 29, 2024**

OR

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

For the transition period from to

Commission File Number: 001-38879

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

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

888 N. Douglas Street, Suite 100
El Segundo, CA 90245
(Address, including zip code, of principal executive offices)

(866) 756-4112
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value	**BYND**	**The Nasdaq Stock Market LLC**

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

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

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

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

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

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

As of August 7, 2024, the registrant had 65,038,387 shares of common stock, $0.0001 par value per share, outstanding.

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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 higher interest rates across the economy, including higher food, grocery, raw materials, transportation, energy, labor and fuel costs;
- a continued decrease in demand, and the underlying factors negatively impacting demand, in the plant-based meat category;
- risks and uncertainties related to certain cost-reduction initiatives, cost structure improvements, workforce reductions and executive leadership changes, and the timing and success of reducing operating expenses and achieving certain financial goals and cash flow positive objectives;
- the timing and success of narrowing our commercial focus to certain growth opportunities; accelerating activities that prioritize gross margin expansion and cash generation, including as part of our review of our global operations initiated in November 2023 (“Global Operations Review”); changes to our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels; and accelerated, cash-accretive inventory reduction initiatives;
- our ability to successfully execute our Global Operations Review, including the exit or discontinuation of select product lines such as Beyond Meat Jerky; the impact of non-cash charges such as provision for excess and obsolete inventory, accelerated depreciation on write-offs and disposals of fixed assets, and losses on sale and write-down of fixed assets; further optimization of our manufacturing capacity and real estate footprint; and the review of our operations in China;
- the impact of adverse and uncertain economic and political conditions in the U.S. and international markets, including concerns about the likelihood of an economic recession, downturn or periods of high inflation, and the 2024 presidential election;
- 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;
- our inability to properly manage and ultimately sell our inventory in a timely manner, which could require us to sell our products through liquidation channels at lower prices, write-down or write-off obsolete inventory, or increase inventory provision;
- any future impairment charges, including due to any future changes in estimates, judgments or assumptions, failure to achieve forecasted operating results, weakness in the economic environment, changes in market conditions, declines in our market capitalization and/or failure to sublease, assign or otherwise transfer any excess space that may exist at our El Segundo Campus and Innovation Center (“Campus Headquarters”) on terms advantageous to us;
- the sufficiency of our cash and cash equivalents to meet our liquidity needs, including estimates of our expenses, future revenues, capital expenditures, capital requirements and our needs for and ability to restructure our balance sheet and obtain additional financing, if at all;
- our ability to accurately predict consumer taste preferences, trends and demand and successfully innovate, introduce and commercialize new products and improve existing products such as our new

Beyond IV platform and our recently launched Beyond Sun Sausage line, including in new geographic markets;

- the effects of competitive activity from our market competitors and new market entrants;
- disruption to, and the impact of uncertainty in, our domestic and international supply chain, including labor shortages and disruption, shipping delays and disruption, and the impact of cyber incidents at suppliers and vendors;
- 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 further downsizing and exiting certain operations, including product lines, domestically and/or abroad;
- risks related to our debt, including our ability to repay our indebtedness, 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;
- the impact of uncertainty as a result of doing business in China and Europe, including as a result of our review of our operations in China;
- the volatility of or inability to access the capital markets, including due to macroeconomic factors, geopolitical tensions or the outbreak of hostilities or war—for example, the war in Ukraine and the conflict in Israel, Gaza and surrounding areas;
- changes in the retail landscape, including our ability to maintain and expand our distribution footprint, the timing, success 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, our ability to maintain and increase sales velocity of our products, and the timing and success of the Beyond IV and Beyond Sun Sausage product launches;
- changes in the foodservice landscape, including the timing, success 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, including the timing and success of the Beyond IV and Beyond Sun Sausage product launches, 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 currency exchange rate fluctuations;
- our ability to identify and execute cost-down initiatives intended to improve our profitability;
- the effectiveness of our business systems and processes;
- our estimates of the size of our market opportunities and ability to accurately forecast market growth;
- our ability to effectively optimize our manufacturing and production capacity, and real estate footprint, including consolidating manufacturing facilities and production lines, exiting co-manufacturing arrangements and effectively managing capacity for specific products with shifts in demand;
- risks associated with underutilization of capacity which have in the past and could in the future give rise to increased costs per unit, underutilization fees, termination fees and other costs to exit certain supply chain arrangements and product lines, and/or the write-down or write-off of certain equipment and other fixed assets;
- our ability to accurately forecast our future results of operations and financial goals or targets, including as a result of 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, including due to the impact of cyber incidents at suppliers and vendors;

- our operational effectiveness and ability to fulfill orders in full and on time;
- variations in product selling prices and costs, the timing and success of changes to our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels, and the mix of products sold;
- our ability to successfully enter new geographic markets, manage our international business 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;
- our ability to protect our brand against misinformation about our products and the plant-based meat category, real or perceived quality or health issues with our products, marketing campaigns aimed at generating negative publicity regarding our products and the plant-based meat category, including regarding the nutritional value of our products, and other issues that could adversely affect our brand and reputation;
- 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 our brand awareness, maintain, protect and enhance our brand, attract and retain new customers and maintain and grow our market share, particularly while we are seeking to reduce our operating expenses;
- 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 and avocado oil 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, including the timing and success of the Beyond IV and Beyond Sun Sausage product launches;
- our ability to successfully execute our strategic initiatives;
- the volatility associated with ingredient, packaging, transportation and other input costs;
- our ability to keep pace with technological changes impacting the development of our products and implementation of our business needs;
- significant disruption in, or breach in security of our or our suppliers' or vendors' information technology systems, including any inability to detect or timely report any cybersecurity incidents, and resultant interruptions in service and any related impact on our reputation, including data privacy, and any potential impact on our supply chain, including on customer demand, order fulfillment and lost sales, and the resulting timing and/or amount of net revenues recognized;
- 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 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 impact of the discontinuation of the Beyond Meat Jerky product line;

- 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 effectiveness of our internal controls;
- accounting estimates based on judgment and assumptions that may differ from actual results;
- matters relating to our Campus Headquarters including, without limitation, the ability to meet our obligations under our Campus Headquarters lease ("Campus Lease"), the timing of occupancy and completion of the build-out of our remaining space, any cost overruns or delays, the availability of the tenant improvement allowance to pay for the build-out of our remaining space, the impact of workforce reductions or other cost-reduction initiatives on our space demands, and the timing and success of subleasing, assigning or otherwise transferring any excess space that may exist at our Campus Headquarters, including any potential impairment charges that may result;
- 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;
- adverse developments affecting the financial services industry;
- 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 and the impact of any non-compliance on our operations, brand reputation and ability to fulfill orders in full and on time;
- seasonality, including increased levels of grilling activity and higher levels of purchasing by customers ahead of holidays, customer shelf reset activity and the timing of product restocking by our retail customers;
- 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," included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 1, 2024 (the "2023 10-K"), Part II, Item 1A, "Risk Factors," included herein, and those discussed in other documents we file from time to time with the SEC.

In some cases, you can identify forward-looking statements by 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 rolling 52- week data as of June 2024 and excludes outlets unique to Beyond Meat Jerky. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and data. In 2023, as part of our Global Operations Review, we made the decision to discontinue the Beyond Meat Jerky product line.

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

Part I. Financial Information

ITEM I. FINANCIAL STATEMENTS

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

	June 29, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 144,873	$ 190,505
Restricted cash, current	536	2,830
Accounts receivable, net	34,463	31,730
Inventory	119,532	130,336
Prepaid expenses and other current assets	15,538	12,904
Assets held for sale	2,323	4,539
Total current assets	$ 317,265	$ 372,844
Restricted cash, non-current	12,600	12,600
Property, plant, and equipment, net	186,584	194,046
Operating lease right-of-use assets	127,679	130,460
Prepaid lease costs, non-current	64,822	61,635
Other non-current assets, net	634	1,192
Investment in unconsolidated joint venture	1,650	1,673
Total assets	$ 711,234	$ 774,450
Liabilities and stockholders' deficit:		
Current liabilities:		
Accounts payable	$ 59,449	$ 56,032
Accrued bonus	393	4,790
Current portion of operating lease liabilities	4,125	3,677
Accrued litigation settlement costs	7,500	—
Accrued expenses and other current liabilities	12,051	9,855
Total current liabilities	$ 83,518	$ 74,354
Long-term liabilities:		
Convertible senior notes, net	$ 1,139,509	$ 1,137,542
Operating lease liabilities, net of current portion	74,884	75,648
Finance lease obligations and other long-term liabilities	3,348	274
Total long-term liabilities	$ 1,217,741	$ 1,213,464

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

	June 29, 2024	December 31, 2023
Commitments and Contingencies (Note 9)		
Stockholders' deficit:		
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; 64,993,318 and 64,624,140 shares issued and outstanding at June 29, 2024 and December 31, 2023, respectively	6	6
Additional paid-in capital	584,441	573,128
Accumulated deficit	(1,170,093)	(1,081,253)
Accumulated other comprehensive loss	(4,379)	(5,249)
Total stockholders' deficit	$ (590,025)	$ (513,368)
Total liabilities and stockholders' deficit	$ 711,234	$ 774,450

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

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

	Three Months Ended		Six Months Ended	
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net revenues	$ 93,185	$ 102,149	$ 168,788	$ 194,385
Cost of goods sold	79,468	99,876	151,403	185,927
Gross profit	13,717	2,273	17,385	8,458
Research and development expenses	5,485	8,773	15,345	21,205
Selling, general and administrative expenses	42,163	47,455	89,445	99,355
Restructuring expenses	—	(201)	—	(627)
Total operating expenses	47,648	56,027	104,790	119,933
Loss from operations	(33,931)	(53,754)	(87,405)	(111,475)
Other (expense) income, net:				
Interest expense	(1,029)	(989)	(2,044)	(1,978)
Other, net	477	1,746	600	4,654
Total other (expense) income, net	(552)	757	(1,444)	2,676
Loss before taxes	(34,483)	(52,997)	(88,849)	(108,799)
Income tax (benefit) expense	(34)	5	(32)	5
Equity in losses of unconsolidated joint venture	30	503	23	3,738
Net loss	$ (34,479)	$ (53,505)	$ (88,840)	$ (112,542)
Net loss per share available to common stockholders—basic and diluted	$ (0.53)	$ (0.83)	$ (1.37)	$ (1.76)
Weighted average common shares outstanding—basic and diluted	64,901,584	64,246,048	64,797,245	64,119,258

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

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

	Three Months Ended		Six Months Ended	
	June 29, 2024	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Net loss	$ (34,479)	$ (53,505)	$ (88,840)	$ (112,542)
Other comprehensive income (loss), net of tax:				
Foreign currency translation gain (loss), net of tax	197	(158)	870	(155)
Comprehensive loss, net of tax	$ (34,282)	$ (53,663)	$ (87,970)	$ (112,697)

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

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

	Common Stock					
	Shares	**Amount**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
Balance at December 31, 2022	63,773,982	$ 6	$ 544,357	$ (743,109)	$ (4,802)	$ (203,548)
Net loss	—	—	—	(59,037)	—	(59,037)
Issuance of common stock under equity incentive plans, net	376,772	—	(117)	—	—	(117)
Share-based compensation for equity classified awards	—	—	9,565	—	—	9,565
Foreign currency translation adjustment	—	—	—	—	3	3
Balance at April 1, 2023	64,150,754	$ 6	$ 553,805	$ (802,146)	$ (4,799)	$ (253,134)
Net loss	—	—	—	(53,505)	$ —	(53,505)
Issuance of common stock under equity incentive plans, net	167,492	—	(69)	—	$ —	(69)
Share-based compensation for equity classified awards	—	—	7,748	—	$ —	7,748
Foreign currency translation adjustment	—	—	—	—	$ (158)	(158)
Balance at July 1, 2023	64,318,246	$ 6	$ 561,484	$ (855,651)	$ (4,957)	$ (299,118)

	Common Stock					
	Shares	**Amount**	**Additional Paid-in Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Loss**	**Total**
Balance at December 31, 2023	64,624,140	$ 6	$ 573,128	$ (1,081,253)	$ (5,249)	$ (513,368)
Net loss	—	—	—	(54,361)	—	(54,361)
Issuance of common stock under equity incentive plans, net	228,702	—	(430)	—	—	(430)
Share-based compensation for equity classified awards	—	—	6,075	—	—	6,075
Foreign currency translation adjustment	—	—	—	—	673	673
Balance at March 30, 2024	64,852,842	$ 6	$ 578,773	$ (1,135,614)	$ (4,576)	$ (561,411)
Net loss	—	—	—	(34,479)	—	(34,479)
Issuance of common stock under equity incentive plans, net	140,476	—	(105)	—	—	(105)
Share-based compensation for equity classified awards	—	—	5,773	—	—	5,773
Foreign currency translation adjustment	—	—	—	—	197	197
Balance at June 29, 2024	64,993,318	$ 6	$ 584,441	$ (1,170,093)	$ (4,379)	$ (590,025)

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

BEYOND MEAT, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(In thousands)

(unaudited)

	Six Months Ended	
	June 29, 2024	**July 1, 2023**
Cash flows from operating activities:		
Net loss	$ (88,840)	$ (112,542)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	12,182	11,928
Non-cash lease expense	4,130	3,613
Share-based compensation expense	11,848	17,313
Provision for doubtful accounts	232	—
Loss on sale of fixed assets	363	3,804
Amortization of debt issuance costs	1,967	1,967
Equity in losses of unconsolidated joint venture	23	3,738
Unrealized loss on foreign currency transactions	2,671	213
Net change in operating assets and liabilities:		
Accounts receivable	(3,273)	(16,462)
Inventories	10,005	28,975
Prepaid expenses and other current assets	(2,450)	(4,705)
Accounts payable	3,633	(14,177)
Accrued expenses and other current liabilities	4,557	(4,852)
Prepaid lease costs, non-current	(3,236)	(4,593)
Operating lease liabilities	(1,626)	(2,556)
Net cash used in operating activities	$ (47,814)	$ (88,336)
Cash flows from investing activities:		
Purchases of property, plant and equipment	$ (2,520)	$ (7,139)
Proceeds from sale of fixed assets	3,157	2,316
Payments for investment in joint venture	—	(3,250)
Return of security deposits	532	—
Net cash provided by (used in) investing activities	$ 1,169	$ (8,073)
Cash flows from financing activities:		
Principal payments under finance lease obligations	$ (514)	$ (115)
Proceeds from exercise of stock options	5	152
Payments of minimum withholding taxes on net share settlement of equity awards	(539)	(337)
Net cash used in financing activities	$ (1,048)	$ (300)
Net decrease in cash, cash equivalents and restricted cash	$ (47,693)	$ (96,709)
Effect of exchange rate changes on cash	(233)	94
Cash, cash equivalents and restricted cash at the beginning of the period	205,935	322,548
Cash, cash equivalents and restricted cash at the end of the period	$ 158,009	$ 225,933

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BEYOND MEAT, INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows

(In thousands)

(unaudited)

	Six Months Ended	
	June 29, 2024	**July 1, 2023**
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Taxes	$ 16	$ 9
Non-cash investing and financing activities:		
Non-cash additions to property, plant and equipment	$ 1,118	$ 1,769
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 1,389	$ 36,400
Reclassification of pre-paid lease costs to operating lease right-of-use assets	$ 48	$ 29,270
Non-cash additions to financing leases	$ 4,393	$ 109
(concluded)		

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

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

Note 1. Introduction

The Company

Beyond Meat, Inc., a Delaware corporation (including its subsidiaries unless the context otherwise requires, the “Company”), is a leading plant-based meat company offering a portfolio of revolutionary plant-based meats. The Company builds meat directly from plants, an innovation that enables consumers to experience the taste, texture and other sensory attributes of popular animal-based meat products while enjoying the nutritional and environmental benefits of eating the Company’s plant-based meat products. The Company’s brand 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.

As of June 29, 2024, approximately 85% of the Company’s assets were located in the United States.

Note 2. Summary of Significant Accounting Policies

A detailed description of the Company's significant accounting policies can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on March 1, 2024 (the “2023 10-K”). There have been no material changes in the Company’s significant accounting policies from those that were disclosed in the 2023 10-K, except as noted below.

Basis of Presentation

The unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and applicable rules and regulations of the Securities and Exchange Commission (“SEC”) regarding interim financial reporting. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the condensed consolidated financial statements include all adjustments necessary, which are of a normal and recurring nature, for the fair presentation of the Company’s financial position and of the results of operations and cash flows for the periods presented. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2024 or for any other interim period or for any other future fiscal year. These condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes thereto included in the 2023 10-K. The condensed consolidated balance sheet as of December 31, 2023 has been derived from the audited financial statements at that date.

Principles of Consolidation

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

Management’s Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates made by the Company include trade promotion accruals; useful lives of property, plant and equipment; valuation of fixed assets; 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 and performance stock units ("PSUs") used to determine share-based compensation expense; and loss contingency accruals in connection with claims, lawsuits and administrative proceedings.

These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of expenses that are not readily apparent from other sources. Actual results could differ from those estimates and such differences may be material to the financial statements.

Foreign Currency

Foreign currency translation gain (loss), net of tax, reported as cumulative translation adjustment through "Other comprehensive income (loss)" was $0.2 million and $(0.2) million in the three months ended June 29, 2024 and July 1, 2023, respectively. Net realized and unrealized foreign currency transaction losses included in "Other, net" were $1.2 million and $1.0 million in the three months ended June 29, 2024 and July 1, 2023, respectively.

Foreign currency translation gain (loss), net of tax, reported as cumulative translation adjustment through "Other comprehensive income (loss)" was $0.9 million and $(0.2) million in the six months ended June 29, 2024 and July 1, 2023, respectively. Net realized and unrealized foreign currency transaction losses included in "Other, net" were $3.5 million and $0.7 million in the six months ended June 29, 2024 and July 1, 2023, respectively.

Fair Value of Financial Instruments

The Company had no financial instruments measured at fair value on a recurring basis at June 29, 2024 and December 31, 2023.

There were no transfers of financial assets or liabilities into or out of Level 1, Level 2 or Level 3 in the three and six months ended June 29, 2024 and July 1, 2023.

Restricted Cash

Restricted cash includes cash held as collateral for stand-alone letter of credit agreements related to normal business transactions. The agreements require the Company to maintain a specified amount of cash as collateral in a segregated account to support the letters of credit issued thereunder. The Company had $13.1 million in restricted cash as of June 29, 2024, which was comprised of $12.6 million to secure the letter of credit to support the development and leasing of the Company's Campus Headquarters (as defined below) recorded in "Restricted cash, non-current" (see Note 9), and $0.5 million to secure a letter of credit associated with a third party contract manufacturer in Europe, recorded in "Restricted cash, current" in the Company's consolidated balance sheet. In the three months ended June 29, 2024, the letter of credit associated with the third party contract manufacturer was renegotiated and reduced from $2.8 million at December 31, 2023 to $0.5 million at June 29, 2024.

Revenue Recognition

At the end of each accounting period, the Company recognizes a contra asset to accounts receivable for estimated sales discounts that have been incurred but not paid which totaled $6.3 million and $6.9 million as of June 29, 2024 and December 31, 2023, respectively. The offsetting charge is recorded as a reduction of revenues in the same period when the expense is incurred.

Presentation of Net Revenues by Channel

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

	Three Months Ended		Six Months Ended	
(in thousands)	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
U.S.:				
Retail	$ 44,869	$ 48,490	$ 81,957	$ 92,649
Foodservice	10,350	12,764	22,654	27,439
U.S. net revenues	55,219	61,254	104,611	120,088
International:				
Retail	17,585	19,995	30,163	34,284
Foodservice	20,381	20,900	34,014	40,013
International net revenues	37,966	40,895	64,177	74,297
Net revenues	$ 93,185	$ 102,149	$ 168,788	$ 194,385

Two distributors each accounted for approximately 11% of the Company's gross revenues in the three months ended June 29, 2024; and one distributor and one customer accounted for approximately 11% and 10%, respectively, of the Company's gross revenues in the three months ended July 1, 2023. Two distributors accounted for approximately 12% and 10%, respectively, of the Company's gross revenues in the six months ended June 29, 2024; and one distributor accounted for approximately 11% of the Company's gross revenues in the six months ended July 1, 2023. No other customer or distributor accounted for more than 10% of the Company's gross revenues in the three and six months ended June 29, 2024 and July 1, 2023.

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, restricted stock units ("RSUs") and PSUs.

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 11.

Prepaid Expenses

Prepaid expenses primarily include prepaid insurance and other prepaid vendor costs, which are expensed in the period to which they relate. Prepaid expenses are included under the caption "Prepaid expenses and other current assets" in the Company's condensed consolidated balance sheets and were $8.0 million and $8.3 million as of June 29, 2024 and December 31, 2023, respectively.

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 selling, general and administrative ("SG&A") expenses. Outbound shipping and handling costs included in SG&A expenses in the three months ended June 29, 2024 and July 1, 2023 were $1.9 million and $2.8 million, respectively. Outbound shipping and handling costs included in SG&A expenses in the six months ended June 29, 2024 and July 1, 2023 were $4.0 million and $6.0 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 condensed 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.

The Company recognizes the closing price of the Company's stock on the grant date as the fair value of RSUs.

The Company estimates the expected impact of forfeited awards and recognizes share-based compensation cost only for those stock option and RSU 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 8.

The Company estimates the fair value of PSUs using the Monte Carlo valuation model. The market-based performance condition used for these awards is based upon the total shareholder return ("TSR") of Beyond Meat versus the TSR of a peer group over performance periods which is considered to be a market condition under Accounting Standards Codification ("ASC") 718 "Compensation—Stock Compensation." The effect of the market condition is considered in determining the award's grant date fair value, which is not subsequently revised based on actual performance for stock settled awards. The expense is therefore fixed at the time of grant in relation to this feature. The expense may only be adjusted for any service-related forfeitures.

New Accounting Pronouncements

In October 2023, the FASB issued Accounting Standards Update ("ASU") 2023-06 "Disclosure Improvements—Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative" ("ASU 2023-06"), which provides amendments to the Codification in response to the 2018 SEC release No. 33-10532, "Disclosure Update and Simplification." The amendments modify the disclosure and presentation requirements of a variety of Topics in the Codification and apply to all reporting entities within the scope of the affected Topics. ASU 2023-06 is effective for companies that are subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or purpose of issuing securities on the date which the SEC removes the related disclosure from Regulation S-X or Regulation S-K. Early adoption is prohibited. For all other entities, the amendments are effective two years later. If the SEC has not removed the applicable disclosure from Regulation S-X or Regulation S-K by June 30, 2027, the pending content related to ASU 2023-06 will not become effective for any entity and will be removed from the Codification. Adoption of ASU 2023-06 is expected to modify the disclosure and presentation requirements only and is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures" ("ASU 2023-07"), which requires the disclosure of significant segment expenses that are part of an entity's segment measure of profit or loss and regularly provided to the chief operating decision maker. In addition, it adds or makes clarifications to other segment-related disclosures, such as clarifying that the disclosure requirements in Topic 280 are required for entities with a single reportable segment and that an entity may disclose multiple measures of segment profit and loss. The amendments in ASU 2023-07 apply to all public entities that are required to report segment information in accordance with Topic 280, Segment Reporting. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods beginning after December 15, 2024. Early adoption is permitted. The amendments should be adopted retrospectively. ASU 2023-07 is effective for the Company beginning January 1, 2024 and interim periods beginning January 1, 2025. Adoption of ASU 2023-07 is expected to modify the disclosure and presentation requirements only and is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740)—Improvements to Income Tax Disclosures" ("ASU 2023-09") which amends the Codification to enhance the transparency and decision usefulness of income tax disclosures. ASU 2023-09 requires additional disaggregation of the reconciliation between the statutory and effective tax rate for an entity and of income taxes paid, both of which are disclosures required by current GAAP. The amendments improve the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. The amendments in ASU 2023-09 apply to all entities that are subject to Topic 740, Income Taxes. For public business entities, the amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. ASU 2023-09 is effective for the Company beginning January 1, 2025. Adoption of ASU 2023-09 is expected to enhance the usefulness of income tax disclosures and is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

In March 2024, the FASB issued ASU 2024-02 "Codification Improvements—Amendments to Remove References to the Concepts Statements" ("ASU 2024-02") which amends the Codification to remove references to various FASB Concept Statements. The amendments in ASU 2024-02 are considered to be codification improvements only. The amendments in ASU 2024-02 apply to all reporting entities within the scope of the affected accounting guidance and are effective for the Company for fiscal years beginning after December 15, 2024. Early application of the amendments in ASU 2024-02 is permitted for all entities for any fiscal year or interim period for which financial statements have not yet been issued or made available for issuance. Adoption of ASU 2024-02 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

Recently Adopted Accounting Pronouncements

None.

Note 3. Leases

See Note 9.

Leases are classified as either finance leases or operating leases based on criteria in ASC 842 “Leases.” The Company has operating leases for its corporate offices, including the Campus Lease, 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 years and 12 years, and often include one or more options to renew. Some leases also include early termination options, which can be exercised under specific conditions. The Company includes options to extend the lease term if the options are reasonably certain of being exercised. The Company 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 $3.2 million and $4.2 million in rent prepayments and payments towards the construction of the Campus Headquarters in the six months ended June 29, 2024 and the year ended December 31, 2023, respectively. The rent prepayments and payments towards construction costs are initially recorded in “Prepaid lease costs, non-current” in the Company’s condensed 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.

In 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. Upon completion of the tenant improvements associated with Phase 1-A, the Company moved its innovation team from its former Manhattan Beach Innovation Center to the Campus Headquarters. In 2023, the tenant improvements associated with Phase 1-B were completed, and the underlying asset was delivered to the Company. As such, upon commencement of Phase 1-B, the Company recognized a $64.9 million right-of-use asset, which included the reclassification of $29.3 million of the construction payments previously included in “Prepaid lease costs, non-current,” and a $35.6 million lease liability. Upon completion of the tenant improvements associated with Phase 1-B, the Company moved its headquarters, sales and marketing operations to the Campus Headquarters. The lease on the Company’s Manhattan Beach Project Innovation Center expired on January 31, 2024. Costs associated with this lease through its expiration date are included in operating lease costs related to research and development expenses and are reflected in the tables below.

Given the Company’s intention to reduce its overall operating expenses and cash expenditures, on February 2, 2024, the Company terminated the agreement to purchase a property in Enschede, the Netherlands (the “Enschede Property”) and the security deposit was returned to the Company, which was subsequently paid to the purchaser of the property to be applied towards the deposit and future lease payments. The Company entered into a lease agreement with the purchaser of the property to lease the approximately 114,000 square foot property for an initial period of five years with an option to renew for an additional five years at an annual rent of approximately €1.0 million. The lease is classified as a finance lease in the Company’s condensed consolidated balance sheet as of June 29, 2024 due to the fact that it meets the criteria for a finance lease pursuant to ASC 842. Costs associated with this lease are included in finance lease costs related to cost of goods sold and are reflected in the tables below.

Lease costs for operating and finance leases were as follows:

		Three Months Ended	
(in thousands)	**Statement of Operations Location**	**June 29, 2024**	**July 1, 2023**
Operating lease cost:			
Lease cost	Cost of goods sold	$ 425	$ 401
Lease cost	Research and development expenses	2,377	1,942
Lease cost	Selling, general and administrative expenses	610	751
Variable lease cost[(1)]	Cost of goods sold	51	39
Variable lease cost[(1)]	Research and development expenses	(12)	21
Variable lease cost[(1)]	Selling, general and administrative expenses	869	652
Operating lease cost		$ 4,320	$ 3,806
Short-term lease cost:			
Short-term lease cost	Cost of goods sold	$ 23	$ 21
Short-term lease cost	Research and development expenses	30	38
Short-term lease cost	Selling, general and administrative expenses	75	50
Short-term lease cost		$ 128	$ 109
Finance lease cost:			
Amortization of right-of use assets	Cost of goods sold	$ 269	$ 52
Amortization of right-of use assets	Research and development expenses	3	4
Interest on lease liabilities	Interest expense	45	6
Variable lease cost[(1)]	Cost of goods sold	2	4
Variable lease cost[(1)]	Research and development expenses	1	—
Finance lease cost		$ 320	$ 66
Total lease cost		$ 4,768	$ 3,981

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

		Six Months Ended	
(in thousands)	Statement of Operations Location	June 29, 2024	July 1, 2023
Operating lease cost:			
Lease cost	Cost of goods sold	$ 822	$ 811
Lease cost	Research and development expenses	4,768	4,472
Lease cost	Selling, general and administrative expenses	1,278	1,117
Variable lease cost[(1)]	Cost of goods sold	116	123
Variable lease cost[(1)]	Research and development expenses	6	83
Variable lease cost[(1)]	Selling, general and administrative expenses	1,960	1,168
Operating lease cost		$ 8,950	$ 7,774
Short-term lease cost:			
Short-term lease cost	Cost of goods sold	$ 44	$ 42
Short-term lease cost	Research and development expenses	54	84
Short-term lease cost	Selling, general and administrative expenses	108	97
Short-term lease cost		$ 206	$ 223
Finance lease cost:			
Amortization of right-of use assets	Cost of goods sold	$ 466	$ 105
Amortization of right-of use assets	Research and development expenses	7	7
Interest on lease liabilities	Interest expense	77	11
Variable lease cost[(1)]	Cost of goods sold	6	5
Variable lease cost[(1)]	Research and development expenses	1	—
Finance lease cost		$ 557	$ 128
Total lease cost		$ 9,713	$ 8,125

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

Supplemental balance sheet information as of June 29, 2024 and December 31, 2023 related to leases are:

(in thousands)	Balance Sheet Location	June 29, 2024	December 31, 2023
Assets			
Operating leases	Operating lease right-of-use assets	$ 127,679	$ 130,460
Finance leases, net	Property, plant and equipment, net	4,384	461
Total lease assets		$ 132,063	$ 130,921
Liabilities			
Current:			
Operating lease liabilities	Current portion of operating lease liabilities	$ 4,125	$ 3,677
Finance lease liabilities	Accrued expenses and other current liabilities	1,005	$ 196
Long-term:			
Operating lease liabilities	Operating lease liabilities, net of current portion	74,884	75,648
Finance lease liabilities	Finance lease obligations and other long-term liabilities	3,348	274
Total lease liabilities		$ 83,362	$ 79,795

The following is a schedule by year of the maturities of lease liabilities with original terms in excess of one year, as of June 29, 2024:

	June 29, 2024	
(in thousands)	Operating Leases	Finance Leases
Remainder of 2024	$ 4,379	$ 591
2025	8,604	1,146
2026	8,457	1,041
2027	8,281	1,005
2028	8,332	967
Thereafter	88,537	—
Total undiscounted future minimum lease payments	126,590	4,750
Less imputed interest	(47,581)	(397)
Total discounted future minimum lease payments	$ 79,009	$ 4,353

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

	June 29, 2024	
	Operating Leases	Finance Leases
Weighted average remaining lease term (years)	13.6	4.4
Weighted average discount rate	6.9 %	4.2 %

Supplemental cash flow information:

	Three Months Ended		Six Months Ended	
(in thousands)	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Cash paid for amounts included in the measurement of operating lease liabilities	$ 2,160	$ 1,937	$ 4,331	$ 3,444
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 355	$ 36,400	$ 1,389	$ 36,400

Note 4. Inventories

Major classes of inventory were as follows:

(in thousands)	June 29, 2024	December 31, 2023
Raw materials and packaging	$ 53,298	$ 61,371
Work in process	26,059	37,329
Finished goods	40,175	31,636
Total	$ 119,532	$ 130,336

Note 5. 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 condensed consolidated balance sheets. A summary of property, plant, and equipment as of June 29, 2024 and December 31, 2023 is as follows:

(in thousands)	June 29, 2024	December 31, 2023
Manufacturing equipment	$ 162,910	$ 165,028
Research and development equipment	20,765	19,594
Leasehold improvements	18,063	23,898
Building	22,849	22,813
Finance leases	5,455	1,086
Software	2,824	3,568
Furniture and fixtures	932	1,079
Vehicles	584	584
Land	5,446	5,478
Assets not yet placed in service	37,639	43,123
Total property, plant and equipment	$ 277,467	$ 286,251
Less: accumulated depreciation and amortization	90,883	92,205
Property, plant and equipment, net	$ 186,584	$ 194,046

Depreciation and amortization expense in the three months ended June 29, 2024 and July 1, 2023 was $5.2 million and $5.9 million, respectively. Of the total depreciation and amortization expense in the three months ended June 29, 2024 and July 1, 2023, $4.5 million and $5.3 million, respectively, were recorded in cost of goods sold, $0.5 million and $0.4 million, respectively, were recorded in research and development expenses, and $0.2 million and $0.2 million, respectively, were recorded in SG&A expenses in the Company’s condensed consolidated statements of operations.

Depreciation and amortization expense in the six months ended June 29, 2024 and July 1, 2023 was $12.2 million and $11.9 million, respectively. Of the total depreciation and amortization expense in the six months ended June 29, 2024 and July 1, 2023, $10.6 million and $10.7 million, respectively, were recorded in cost of goods sold, $1.1 million and $0.9 million, respectively, were recorded in research and development expenses, and $0.5 million and $0.3 million, respectively, were recorded in SG&A expenses in the Company's condensed consolidated statements of operations.

The Company had $2.3 million and $4.5 million in property, plant and equipment concluded to meet the criteria for assets held for sale as of June 29, 2024 and December 31, 2023, respectively. The Company recorded $0.2 million in loss and $(0.1) million in gain on sale of fixed assets in the three months ended June 29, 2024 and July 1, 2023, respectively, and recorded $0.4 million and $3.8 million in loss on sale of fixed assets in the six months ended June 29, 2024 and July 1, 2023, respectively.

Note 6. Debt

The following is a summary of debt balances as of June 29, 2024 and December 31, 2023:

(in thousands)	June 29, 2024	December 31, 2023
0% Convertible senior notes	$ 1,150,000	$ 1,150,000
Debt issuance costs	(10,491)	(12,458)
Total debt outstanding	$ 1,139,509	$ 1,137,542
Less: current portion of long-term debt	—	—
Long-term debt	$ 1,139,509	$ 1,137,542

Convertible Senior Notes

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

The total amount of debt issuance costs of $23.6 million was recorded as a reduction to "Convertible senior notes, net" in the Company's condensed consolidated balance sheet and is being amortized as interest expense over the term of the Notes using the effective interest method. In each of the three months ended June 29, 2024 and July 1, 2023, the Company recognized $1.0 million in interest expense related to the amortization of the debt issuance costs related to the Notes. The effective interest rate in both of the three month periods ended June 29, 2024 and July 1, 2023 was 0.09%. In each of the six months ended June 29, 2024 and July 1, 2023, the Company recognized $2.0 million in interest expense related to the amortization of the debt issuance costs related to the Notes. The effective interest rate in both of the six month periods ended June 29, 2024 and July 1, 2023 was 0.17%.

The following is a summary of the Company's Notes as of June 29, 2024:

				Fair Value	
(in thousands)	Principal Amount	Unamortized Issuance Costs	Net Carrying Amount	Amount	Leveling
0% Convertible senior notes due on March 15, 2027	$1,150,000	$10,491	$1,139,509	$238,625	Level 2

The Notes are carried at face value less the unamortized debt issuance costs on the Company's condensed consolidated balance sheets. As of June 29, 2024, the estimated fair value of the Notes was approximately $238.6 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 June 24, 2024, the last day of the period when the notes were traded.

As of June 29, 2024, the remaining life of the Notes was approximately 2.7 years.

Note 7. Stockholders' Deficit

As of June 29, 2024, the Company's shares consisted of 500,000,000 authorized shares of common stock, par value $0.0001 per share, of which 64,993,318 shares of common stock were issued and outstanding, and 500,000 authorized shares of preferred stock, par value $0.0001 per share, of which no shares were issued and outstanding.

As of December 31, 2023, the Company's shares consisted of 500,000,000 authorized shares of common stock, par value $0.0001 per share, of which 64,624,140 shares were issued and outstanding, and 500,000 authorized shares of preferred stock, par value $0.0001 per share, of which no shares were issued and outstanding.

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

Common Stock

Common stock reserved for future issuance consisted of the following:

	June 29, 2024	December 31, 2023
Equity incentive compensation awards granted and outstanding	8,145,833	5,888,077
Shares available for grant under the 2018 Equity Incentive Plan[1]	7,521,095	8,230,500
Shares available for issuance under the Employee Stock Purchase Plan	3,484,845	2,948,715
Shares reserved for potential issuance under the Notes	8,234,230	8,234,230
Total common stock reserved for future issuance[1][2]	27,386,003	25,301,522

(1) Shares available for issuance under the 2018 Equity Incentive Plan includes 225,967 shares that may be issued pursuant to performance stock units if 200% of the applicable performance target is achieved.
(2) Total common stock reserved for future issuance does not include shares that may be issued pursuant to the ATM Program discussed below.

ATM Program

In May 2023, the Company filed an automatic shelf registration statement on Form S-3 (the "2023 Shelf Registration Statement") with the SEC registering an indeterminate amount of its common stock, preferred stock, debt securities, warrants, purchase contracts and units (collectively, "Company securities"). On March 18, 2024, the Company filed an updated shelf registration statement on Form S-3 (the "2024 Shelf Registration Statement"), which the SEC declared effective on April 12, 2024 and which replaced the 2023 Shelf Registration Statement. The 2024 Shelf Registration Statement allows the Company to sell, from time to time and at its discretion, Company securities having an aggregate offering price of up to $250.0 million including up to $200.0 million in shares of common stock that may be sold pursuant to the Company's equity distribution agreement (the "Equity Distribution Agreement") with

Goldman Sachs & Co. LLC ("Goldman Sachs"), as sales agent, under an "at the market" offering program (the "ATM Program").

Pursuant to the Equity Distribution Agreement, the Company may offer and sell common stock having an aggregate offering price of up to $200.0 million from time to time to or through Goldman Sachs, as the sales agent, subject to compliance with applicable laws and the applicable requirements of the Equity Distribution Agreement. The Equity Distribution Agreement also requires the Company to pay Goldman Sachs a commission equal to 3.25% of the aggregate gross proceeds of any shares sold through Goldman Sachs pursuant to the Equity Distribution Agreement. The Company intends to use the net proceeds, if any, from sales of common stock issued under the ATM Program for general corporate and working capital purposes. The timing of any sales and the number of shares sold, if any, will depend on a variety of factors to be determined and considered by the Company. The Company is not obligated to sell any shares under the Equity Distribution Agreement. As of June 29, 2024, no sales had been made under the Equity Distribution Agreement and the ATM Program's full capacity remained available.

Note 8. Share-Based Compensation

In 2019, the Company's 2011 Equity Incentive Plan ("2011 Plan") was amended, restated and re-named the 2018 Equity Incentive Plan ("2018 Plan"), and the remaining shares available for issuance under the 2011 Plan were added to the shares reserved for issuance under the 2018 Plan. As of January 1, 2024, the maximum aggregate number of shares that may be issued under the 2018 Plan increased to 25,204,961 shares, which includes an increase of 2,144,521 shares effective January 1, 2024 under the terms of the 2018 Plan.

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

	Shares Available for Grant
Balance - December 31, 2023	8,230,500
Authorized	2,144,521
Granted[(1)]	(3,089,697)
Shares withheld to cover taxes	58,072
Forfeited	177,699
Balance - June 29, 2024	7,521,095

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(1) Includes 225,967 shares reserved for issuance pursuant to performance stock units if 200% of the applicable performance target is achieved.

As of June 29, 2024 and December 31, 2023, there were 5,400,017 and 4,477,120 shares, respectively, issuable under stock options outstanding, 2,527,308 and 1,411,310 shares, respectively, issuable under unvested RSUs outstanding, 225,967 and 0 shares, respectively, issuable under unvested PSUs outstanding, 225,967 shares reserved for issuance under unvested PSUs outstanding if 200% of the applicable performance target is achieved, 9,484,759 and 9,048,906 shares, respectively, issued for stock option exercises, RSU settlement, and restricted stock grants, and 7,521,095 and 8,230,500 shares, respectively, available for grant under the 2018 Plan.

Stock Options

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

	Three Months Ended		Six Months Ended	
	June 29, 2024	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Risk-free interest rate	4.5%	N/A	4.3%	4.1%
Average expected term (years)	7.0	N/A	7.0	7.0
Expected volatility	55.3%	N/A	55.3%	55.3%
Dividend yield	N/A	N/A	N/A	N/A

Option grants in the six months ended June 29, 2024 and July 1, 2023 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.

The following table summarizes the Company's stock option activity during the six months ended June 29, 2024:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value (in thousands)[(1)]
Outstanding at December 31, 2023	4,477,120	$ 23.04	5.4	$ 12,915
Granted	1,004,095	$ 9.52	—	$ —
Exercised	(1,579)	$ 3.00	—	$ 9
Canceled/Forfeited	(79,619)	$ 38.42	—	$ —
Outstanding at June 29, 2024	5,400,017	$ 20.31	5.8	$ 8,824
Vested and exercisable at June 29, 2024	3,416,965	$ 23.23	3.8	$ 8,824
Vested and expected to vest at June 29, 2024	4,702,662	$ 21.70	5.2	$ 8,824

(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.

In the three months ended June 29, 2024 and July 1, 2023, the Company recorded in aggregate $1.8 million and $2.8 million, respectively, of share-based compensation expense related to options. In the six months ended June 29, 2024 and July 1, 2023, the Company recorded in aggregate $3.7 million and $6.8 million, respectively, of share-based compensation expense related to options. The share-based compensation expense is included in cost of goods sold, research and development expenses and SG&A expenses in the Company's condensed consolidated statements of operations.

As of June 29, 2024, there was $12.9 million in unrecognized compensation expense related to nonvested stock option awards which is expected to be recognized over a weighted average period of 1.2 years.

Restricted Stock Units

RSU grants to employees in the six months ended June 29, 2024 and July 1, 2023 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. Some of the RSU grants to continuing employees in the six months ended June 29, 2024 and July 1, 2023 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. Some of the RSU grants to continuing employees in the six months ended July 1, 2023 vest quarterly over four quarters, subject to continued employment through the vesting date.

Annual RSU grants to directors on the Company's Board of Directors (the "Board") in the six months ended June 29, 2024 and July 1, 2023 vest monthly over a one-year period subject to continued service through the vesting date. RSU grants to new directors on the Board in the six months ended June 29, 2024 and July 1, 2023 vest monthly over a three-year period subject to continued service through the vesting date. RSU grants to non-employee consultants and ambassadors in the six months ended June 29, 2024 and July 1, 2023 vest on varying dates, subject to continued service through the vesting date.

The following table summarizes the Company's RSU activity during the six months ended June 29, 2024:

	Number of Units	Weighted Average Grant Date Fair Value Per Unit
Unvested at December 31, 2023	1,411,310	$ 19.60
Granted	1,633,668	$ 9.20
Vested[1]	(426,747)	$ 19.85
Canceled/Forfeited	(90,923)	$ 18.27
Unvested at June 29, 2024	2,527,308	$ 12.94

(1) Includes 58,072 shares of common stock that were withheld to cover taxes on the release of vested RSUs and became available for future grants pursuant to the 2018 Plan.

In the three months ended June 29, 2024 and July 1, 2023, the Company recorded $3.4 million and $4.9 million, respectively, of share-based compensation expense related to RSUs. In the six months ended June 29, 2024 and July 1, 2023, the Company recorded $7.4 million and $10.5 million, respectively, of share-based compensation expense related to RSUs. The share-based compensation expense is included in cost of goods sold, research and development expenses and SG&A expenses in the Company's condensed consolidated statements of operations.

As of June 29, 2024, there was $19.9 million in unrecognized compensation expense related to unvested RSUs which is expected to be recognized over a weighted average period of 1.3 years.

Performance Stock Units

In March 2024, the Company granted a target amount of $3.3 million in PSUs with market-based and service-based vesting conditions to certain executive officers. The market vesting criteria is based on the Company's TSR results relative to a peer group. The peer group includes the constituents of the S&P Food and Beverage Select Industry Index excluding companies in the S&P 500 as of the beginning of the performance periods during a one-year, two-year and three-year performance period beginning on January 1, 2024 and ending on December 31, 2024, December 31, 2025 and December 31, 2026, respectively. The market vesting condition allows for a range of vesting from 0% to 200% of the target amount, depending on the relative TSR achieved by the Company against the peer group. In addition to the market vesting condition, these PSUs are subject to the continued service of the executive officers through the last day of the applicable performance period. The fair values of PSUs are measured on the grant date using a Monte Carlo valuation model. Each of the three performance periods is considered an individual tranche of the award referred to as "Tranche 1," "Tranche 2" and "Tranche 3," respectively.

	Number of Units	Grant Date Fair Value Per Unit		Performance Period
Tranche 1	80,307	$	13.49	January 1, 2024 - December 31, 2024
Tranche 2	74,714	$	14.50	January 1, 2024 - December 31, 2025
Tranche 3	70,946	$	15.27	January 1, 2024 - December 31, 2026

The following table summarizes the Company's PSU activity during the six months ended June 29, 2024:

	Number of Units	Weighted Average Grant Date Fair Value Per Unit	
Unvested at January 1, 2024	—	$	—
Granted	225,967	$	14.38
Vested	—	$	—
Canceled/Forfeited	—	$	—
Unvested at June 29, 2024	225,967	$	14.38

The total grant date fair value of the awards was determined to be $3.3 million, with each tranche of the awards representing $1.1 million of the total expense. The requisite service period for each tranche of the award is 10 months, 22 months and 34 months, respectively. Share-based compensation expense related to PSUs is recognized on a straight-line basis over their requisite service periods, regardless of whether the market condition is ultimately satisfied. Share-based compensation expense is not reversed if the achievement of the market condition does not occur.

In the three months ended June 29, 2024 and July 1, 2023, the Company recorded in aggregate $0.7 million and $0, respectively, of share-based compensation expense related to PSUs. The share-based compensation expense is included in SG&A expenses in the Company's condensed consolidated statements of operations. Prior to December 31, 2023, the Company had no share-based compensation expense related to PSUs.

As of June 29, 2024, there was $2.5 million in unrecognized compensation expense related to unvested PSUs which is expected to be recognized over a weighted average vesting period of 1.6 years.

Employee Stock Purchase Plan

As of June 29, 2024, the maximum aggregate number of shares that may be issued under the 2018 Employee Stock Purchase Plan ("ESPP") was 3,484,845 shares of common stock, including an increase of 536,130 shares effective January 1, 2024 under the terms of the ESPP. The ESPP is expected to be implemented through a series of offerings under which participants are granted purchase rights to purchase shares of the Company's common stock on specified dates during such offerings. The administrator has not yet approved an offering under the ESPP.

Note 9. Commitments and Contingencies

Leases

See Note 3.

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 N. Douglas Street, El Segundo, California, to be built out by the Landlord and delivered to the Company in multiple phases. In 2022 and in the second quarter of 2023, the tenant improvements associated with Phase 1-A and Phase 1-B, respectively, were completed and the underlying assets were delivered to the Company. Therefore, the Company began recognizing a right-of-use asset and lease liability for Phase1-A in its condensed consolidated balance sheet in the year ended December 31, 2022 and for Phase 1-B in its condensed consolidated balance sheet in the second quarter ended July 1, 2023. See Note 3. Aggregate payments towards base rent over the initial lease term associated with the remaining phases not yet delivered to the Company will be approximately $79.4 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 included in the Company's condensed consolidated balance sheets as "Restricted cash, non-current" as of June 29, 2024 and December 31, 2023.

Given the Company's intention to reduce its overall operating expenses and cash expenditures, on February 2, 2024, the Company terminated the agreement to purchase the Enschede Property and the security deposit was returned to the Company, which was subsequently paid to the purchaser of the property to be applied towards the deposit and future lease payments. The Company entered into a lease agreement with the purchaser of the property to lease the approximately 114,000 square foot property for an initial period of five years with an option to renew for an additional five years at an annual rent of approximately €1.0 million. See Note 3.

China Investment and Lease Agreement

On September 22, 2020, the Company and its subsidiary, Beyond Meat (Jiaxing) Food Co., Ltd. ("BYND JX"), entered into an investment agreement with the Administrative Committee (the "JX Committee") of the Jiaxing Economic & Technological Development Zone (the "JXEDZ") pursuant to which, among other things, BYND JX has agreed to make certain investments in the JXEDZ in two phases of development, and the Company has agreed to guarantee certain repayment obligations of BYND JX under such agreement. In the three and six months ended June 29, 2024, BYND JX received $0 and $0.5 million, respectively, in subsidies from the JXEDZ Finance Bureau. No such subsidies were received in the three and six months ended July 1, 2023.

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 a JXEDZ company, 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 June 29, 2024, 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 the Planet Partnership, LLC (“TPP”), a joint venture with PepsiCo, Inc. (“PepsiCo”) to develop, produce and market innovative snack and beverage products made from plant-based protein. In the three months ended June 29, 2024 and July 1, 2023, the Company recognized its share of the net losses in TPP in the amount of $30,000 and $0.5 million, respectively. In the six months ended June 29, 2024 and July 1, 2023, the Company recognized its share of the net losses in TPP in the amount of $23,000 and $3.7 million, respectively. As of June 29, 2024 and December 31, 2023, the Company had contributed its share of the investment in TPP in the amount of $27.6 million. See Note 12.

In 2023, as part of its review of its global operations (the “Global Operations Review”), the Company made the decision to discontinue the Beyond Meat Jerky product line.

Purchase Commitments

On July 1, 2023, the Company and Roquette Frères entered into a second amendment (the “Second Amendment”) to the Company’s existing pea protein supply agreement dated January 10, 2020, as amended by the first amendment dated August 3, 2022 (the “First Amendment”). Pursuant to the Second Amendment, the terms of the agreement and existing purchase commitments set forth in the First Amendment were revised and extended through December 31, 2025. Pursuant to the Second Amendment, the purchase commitment was revised such that the Company has committed to purchase pea protein inventory totaling $5.4 million in the remainder of 2024 and $17.1 million in 2025.

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 included a minimum order quantity commitment per month and an aggregate quantity over a five-year term. On November 21, 2023, the Company terminated the Agreement because the co-manufacturer failed to meet its obligations under the Agreement and recorded $4.4 million in termination-related charges. In March 2024, the co-manufacturer brought an action against the Company in a confidential arbitration proceeding. See *Litigation—Arbitration with Former Co-Manufacturer*.

Litigation

In connection with the matters described below, the Company has accrued for loss contingencies where it believes that losses are probable and estimable. No loss contingency is recorded for matters where such losses are either not probable or reasonably estimable (or both). Although it is reasonably possible that actual losses could be in excess of the Company’s accrual, the Company is unable to estimate a reasonably possible loss or range of loss in excess of its accrual, due to various reasons, including, among others, that: (i) the proceedings are in early stages or no claims have been asserted; (ii) specific damages have not been sought in all of these matters; (iii) damages, if asserted, are considered unsupported and/or exaggerated; (iv) there is uncertainty as to the outcome of pending appeals, motions or settlements; (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories presented. It is not possible to predict the ultimate outcome of all pending legal proceedings, and some of the matters discussed below seek or may seek potentially large and/or indeterminate amounts. Any such loss or excess loss could have a material effect on the Company's results of operations or cash flows or on the Company's financial condition.

In addition to the matters described below, 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 other matters that are pending or asserted will have a material effect on its financial statements.

Aliments BVeggie, Inc.

In November 2023, Aliments BVeggie, Inc. ("BVeggie") filed and served legal proceedings against the Company before the Superior Court of Quebec's District of Montreal. BVeggie alleges, among other things that: (i) in 2019, the Company and BVeggie entered into a co-manufacturing agreement, by which BVeggie would produce and deliver products for the benefit of the Company, in exchange for a tolling fee to be paid per pound of product produced and delivered to the Company; (ii) the Company would have made false and misleading statements regarding the volume of purchase orders it would provide BVeggie; (iii) BVeggie invested significant sums to adapt its facilities for the intended production; (iv) the Company fell short of its undertakings and promises; and (v) in March 2023, the Company illegally terminated the business relationship. BVeggie intends to claim damages in the total amount of 129,841,920 CAD, in compensation for its investments, lost profits and the repairs needed to be made to its facility post-termination of the business relationship and removal of the Company's equipment. The case is at a preliminary stage. The Company intends to vigorously defend against these claims. On December 7, 2023, the Company filed a motion for declinatory exception to stay the proceedings pending before the Superior Court of Quebec, district of Montreal, and refer the dispute to arbitration in California. A hearing on the motion for declinatory exception occurred on April 25, 2024. By judgment dated May 9, 2024, the Superior Court of Quebec granted the motion for declinatory exception filed by the Company and declared that the courts sitting in Los Angeles County, in the State of California, are in a better position to decide the dispute. BVeggie appealed the court's decision on June 7, 2024, and the Company filed a cross-appeal on June 18, 2024. The appeals are expected to be heard by the end of 2025. The litigation in Quebec is currently suspended pending the outcome of the appeals.

Saskatchewan Healthcare Employees' Pension Plan v. Beyond Meat, Inc. et al.

On May 11, 2023, a class action complaint was filed against the Company and certain current and former officers and directors in the United States District Court for the Central District of California, captioned *Retail Wholesale Department Store Union Local 338 Retirement Fund v. Beyond Meat, Inc., et al*., Case No. 2:23-cv-03602. On July 26, 2023, the Court granted Saskatchewan Healthcare Employees' Pension Plan's motion to be appointed lead plaintiff and for its counsel to be appointed lead counsel. On August 9, 2023, the case was re-captioned as *Saskatchewan Healthcare Employees' Pension Plan v. Beyond Meat, Inc., et al.,* Case No. 2:23-cv-03602 ("SHEPP Action"). On October 9, 2023, the plaintiffs filed a consolidated class action complaint. The complaint alleges, among other things, that the Company and the individual defendants made false and misleading statements or omissions regarding the Company's ability to manufacture its products at scale and to its partners' specifications. The complaint seeks an order certifying the class; awarding compensatory damages, interest, costs, expenses, attorneys' and expert fees; and granting other unspecified equitable or injunctive relief. The complaint alleges causes of action under Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on behalf of a putative class of investors who purchased the Company's common stock between May 5, 2020 and October 13, 2022, inclusive. On December 8, 2023, the Company and the individual defendants filed a motion to dismiss the consolidated class action complaint. The parties completed briefing on the motion to dismiss in March 2024. On April 22, 2024, the court heard oral arguments on the defendants' motion to dismiss. A decision has not been rendered. The Company intends to vigorously defend against these claims.

Stockholder Derivative Litigation Actions

Following the SHEPP Action, derivative shareholder actions were filed by purported stockholders against the Company and certain directors and officers. On July 21, 2023, a derivative shareholder action was filed against certain current and former officers and directors of the Company in the United States District Court for the Central District of California, captioned Gervat v. Brown, et al., Case No. 2:23-cv-05954 ("Gervat Action"). The Gervat Action alleges substantially similar facts as those alleged in the SHEPP Action. The complaint asserts claims for breach of fiduciary duty, unjust enrichment, and gross mismanagement. It also asserts violations of Section 14(a) of the Exchange Act against a subset of defendants and seeks contribution for violations of Sections10(b) and 21D of the Exchange Act from the individual defendants named in the SHEPP Action. The Company is named as a nominal defendant only. On July 27, 2023, a second derivative shareholder action was filed in the United States District Court for the Central District of California, captioned Brink v. Brown, et al., Case No. 2:23-cv-06110 ("Brink Action"), alleging substantially the same causes of action as alleged in the Gervat Action and facts substantially similar to those alleged in the SHEPP Action. On August 15, 2023, the Gervat and Brink Actions were consolidated into a single matter, with the complaint in the Gervat Action being the operative one, and such consolidated case was captioned In Re Beyond Meat, Inc. Stockholder Derivative Litigation, Case No. 2:23-cv-05954 ("Consolidated Derivative Action"). The Consolidated Derivative Action is stayed pending resolution of the defendants' motion to dismiss in the SHEPP Action. On August 4, 2023, a third derivative shareholder action was filed in the Superior Court of the State of California for the County of Los Angeles, captioned Moore v. Nelson, et al., Case No. 23STCV18587 ("Moore Action"), alleging causes of action substantially similar to those alleged in the Consolidated Derivative Action and facts substantially similar to those alleged in the SHEPP Action. On January 23, 2024, the plaintiff dismissed the complaint without prejudice. On December 8, 2023, a fourth derivative action was filed in the United States District Court for the District of Delaware, captioned Gilardy v. Brown, et al., Case No. 1:23-cv-01415 ("Gilardy Action"). The Gilardy Action alleges causes of action substantially similar to those alleged in the Consolidated Derivative Action and Moore Action and facts substantially similar to those alleged in the SHEPP Action. The Gilardy Action is stayed pending resolution of the defendants' motion to dismiss in the SHEPP Action.

Litigation Pursuant to Section 220 of the Delaware General Corporation Law ("DGCL")

On November 17, 2023, purported stockholder Christina Brown ("Brown") issued a books and records demand pursuant to Section 220 of the DGCL seeking documents, including board minutes and materials generally related to the same issues as those raised in the SHEPP Action and related derivative actions. On December 12, 2023, Brown filed a complaint in Delaware Chancery Court naming the Company as defendant and seeking such documents pursuant to Section 220, captioned *Brown v. Beyond Meat,* Case No. 2023-1262 (Del. Ch.). The case is in the preliminary stages.

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, the Company 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, In re: Beyond Meat, Inc. Protein Content Marketing and Sales Practices Litigation, No. 1:23-cv-00669 (N.D. Ill.) (the “MDL”).

On March 3, 2023, the MDL court held the initial status conference. The MDL court granted plaintiffs’ motion to appoint interim class counsel. On May 3, 2023, plaintiffs filed an amended consolidated complaint. The Company’s motion to dismiss was filed on June 5, 2023, and plaintiffs filed a brief in opposition on July 5, 2023. The Company’s reply in support of the motion to dismiss was filed on July 21, 2023.

On February 22, 2024, the MDL court issued an order granting in part and denying in part the Company’s motion to dismiss. On March 5, 2024, the parties filed a joint status report noting they had agreed to engage in mediation. On April 24, 2024, the parties engaged in mediation before the Honorable Wayne R. Andersen (Ret.) but did not reach agreement. Negotiations continued and the parties entered into a confidential binding settlement term sheet on May 6, 2024. On July 8, 2024, the parties entered into a class action settlement agreement, pursuant to which the Company has agreed to contribute $7.5 million to a settlement fund in full satisfaction of all settlement costs and attorneys’ fees. Plaintiffs filed a motion for preliminary approval of the settlement on August 5, 2024, and a hearing on the motion is set for August 14, 2024.

Since the settlement is subject to preliminary and final court approval, the timing of payments is uncertain; however, the Company anticipates paying $250,000 in 2024, with the remainder, $7.25 million, anticipated to be paid in 2025. The Company has recorded $7.5 million in SG&A expenses in its condensed consolidated statement of operations in the six months ended June 29, 2024, which is included in “Accrued litigation settlement costs” in the Company’s condensed consolidated balance sheet as of June 29, 2024.

The active lawsuits, each of which was consolidated and transferred to the MDL and is subject to the class action settlement agreement, 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. Iowa.) (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 (S.D. Tex.) (filed January 13, 2023)

If the class action settlement agreement is not approved by the MDL court, the Company is prepared to vigorously defend against all remaining claims asserted in the complaints.

Interbev

In October 2020, Interbev, a French trade association for the livestock and meat 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 "Commercial Court"). 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. If the Commercial Court rules against the Company, it could disrupt the Company's ability to market in France.

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. On May 24, 2023, the Company submitted its defense, strongly disputing these claims. In September 2023, the Company submitted a request to stay proceedings in the commercial litigation proceedings, pending the decision of the Court of Justice of the European Union ("CJEU") in the administrative litigation case against the French Decree prohibiting meat names. On September 27, 2023, Interbev obtained an extension to submit a response to the Company. On October 25, 2023, Interbev submitted its response opposing the Company's request to stay proceedings and asking that the written procedure of the case be closed. The Company responded on November 22, 2023, and Interbev submitted an additional reply on January 16, 2024. On March 20, 2024, the Commercial Court held a hearing on the decision to stay proceedings, and on April 25, 2024, the Commercial Court decided that the case should proceed. To that end, the Commercial Court set the date for an oral hearing on September 4, 2024. On July 11, 2024, Interbev submitted its last written brief before the hearing. The Company expects to file its brief in response in August 2024. A first instance decision is expected later this year.

On April 21, 2023, Interbev filed two actions before the European Union Intellectual Property Office (the "EUIPO") to cancel the Company's EU trademark registration for the Caped Steer logo. Interbev is seeking cancellation of the trademark, alleging that the trademark is invalid because it allegedly misleads the public about the nature and characteristics of the products offered under the mark. Interbev is also seeking cancellation on the basis of allegedly misleading use. On July 7, 2023, the Company submitted its responses to these actions, strongly disputing these claims and defending its use and registration of the Caped Steer logo. Interbev's response regarding misleading use of the mark was filed on September 14, 2023, and the Company responded on November 17, 2023. Interbev's response regarding the invalidity of the mark was filed and served on the Company in November 2023, and the Company responded on January 12, 2024. On May 7, 2024, the Company was served with the EUIPO's first instance decision regarding the invalidity of the mark. The EUIPO held the mark to be invalid insofar as the registration covered specifically meat or dairy substitute goods. The EUIPO held the trademark to be valid insofar as the registration is for other plant, cereal, vegetable, fruit or nut-based goods. The Company filed a formal appeal of the first instance decision on July 5, 2024 and intends to file its substantive grounds of appeal in September 2024.

Decrees 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 (the “Contested Decree”). The Contested Decree prohibited 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 Contested Decree, in response to a motion filed by a French trade association.

On October 21, 2022, the Company filed a request for annulment of the Contested 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 were heard. On January 23, 2023, the French Ministry for the Economy (the “French Ministry”) responded to the Company’s request for annulment and intervention. The French Ministry’s response made clear that it would enforce the Contested Decree as a blanket ban on the use of all “meaty” names for plant-based products in France. On April 20, 2023, a number of plant-based companies voluntarily filed interventions in support of the Company’s case.

On July 12, 2023, the French High Administrative Court issued an intermediate judgment in the proceedings against the French meaty names ban. The court held that there were a number of difficulties interpreting EU law, which will be decisive for the resolution of the case. For that reason, the French High Administrative Court referred the case to the CJEU, which is the highest court in the EU and can issue a legally binding interpretation of EU law valid in all 27 EU member states, including France. The French High Administrative Court is bound to follow judgments of the CJEU. The procedure before the CJEU started on August 22, 2023, and the Company filed its submission on October 31, 2023. On January 15, 2024, the CJEU closed the written procedure. The period to request an oral hearing closed on February 5, 2024.

In parallel to the litigation before the CJEU against the Contested Decree, on August 23, 2023, France published a proposal for a new decree replacing the Contested Decree (the “New Decree”). The New Decree has removed some of the Contested Decree’s most open-ended language, but essentially maintains the prohibition on meaty names for plant-based proteins. The New Decree was subject to administrative review procedure by the European Commission (the EU’s executive body) and the EU member states other than France. The six-months standstill period under that procedure ended on February 23, 2024. The Company supported plant-based protein trade associations against the New Decree. On February 26, 2024, the New Decree was adopted. However, on April 10, 2024, the French High Administrative Court decided once again to postpone the applicability of the New Decree. The interim relief judge noted that there were serious doubts as to whether such national measures could be adopted based on EU law, which had already prompted the ongoing CJEU litigation.

In this context, on March 1, 2024, the CJEU requested the French High Administrative Court to provide its view on the impact of the adoption of the New Decree on the litigation against the Contested Decree, and whether it should be declared moot or it should be allowed to proceed. On March 14, 2024, the French High Administrative Court responded to the CJEU's request for information asking it to rule in the current proceedings. On April 15, 2024, the CJEU decided that the litigation against the Contested Decree would proceed, and that an oral hearing was not necessary. The next step in the proceedings is the publication of the opinion of the Advocate General (the advisor to the judges), which is expected on September 5, 2024. Following the opinion, which is not binding on the court, the CJEU will issue its ruling. The Company expects the ruling of the CJEU approximately three to five months after the Advocate General’s opinion.

The judgment of the CJEU will be determinative as to whether the Contested Decree’s ban on meat names for plant-based foods was lawful, or not, under EU law. The judgment of the CJEU will set a precedent on the naming of plant-based foods for all other EU member states, which will significantly disrupt or facilitate the operations of the Company and the entire plant-based protein industry in France and across the EU. The Company maintains its position that the Contested Decree was, and the New

Decree is illegal under French and EU law. It will continue to defend against prohibitions on meaty names, among others through plant-based protein trade associations.

Arbitration with Former Co-Manufacturer

In March 2024, a former co-manufacturer ("Manufacturer") brought an action against the Company in a confidential arbitration proceeding. The Company had entered into an agreement with the Manufacturer, under which the Manufacturer was responsible for producing products on behalf of the Company. The Company terminated the agreement in November 2023 due to the Manufacturer's failure to produce food in compliance with applicable laws, as required by the agreement. The Manufacturer alleges that the Company terminated the agreement without a contractual basis to do so and that it is owed past and future payments under the agreement. The Manufacturer claims total damages of at least approximately $73.0 million. The Company has responded to the demand and asserted counterclaims for breach of contract. The Company intends to vigorously defend against these claims.

Note 10. Income Taxes

In the three months ended June 29, 2024 and July 1, 2023, the Company recorded $34,000 in income tax benefit and $5,000 in income tax expense, respectively, in its condensed consolidated statements of operations. In the six months ended June 29, 2024 and July 1, 2023, the Company recorded $32,000 in income tax benefit and $5,000 in income tax expense, respectively, in its condensed consolidated statements of operations.

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

As of June 29, 2024, the Company did not have any accrued interest or penalties related to uncertain tax positions. The Company's policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. The Company is subject to U.S. federal tax authority and U.S. state tax authority examinations for all years with respect to net operating loss and credit carryforwards.

Note 11. Net Loss Per Share Available to Common Stockholders

The Company calculates basic and diluted net loss per share available to common stockholders in conformity with the provisions of ASC 260 "Earnings Per Share." Pursuant to ASU 2020-06, the Company applies the if-converted method to its Notes. See Note 2.

(in thousands, except share and per share amounts)	Three Months Ended June 29, 2024	Three Months Ended July 1, 2023	Six Months Ended June 29, 2024	Six Months Ended July 1, 2023
Numerator:				
Net loss available to common stockholders	$ (34,479)	$ (53,505)	$ (88,840)	$ (112,542)
Net loss available to common stockholders—basic	(34,479)	(53,505)	(88,840)	(112,542)
Denominator:				
Weighted average common shares outstanding—basic	64,901,584	64,246,048	64,797,245	64,119,258
Dilutive effect of shares issuable under stock options	—	—	—	—
Dilutive effect of RSUs	—	—	—	—
Dilutive effect of PSUs	—	—	—	—
Dilutive effect of Notes, if converted[(1)]	—	—	—	—
Weighted average common shares outstanding—diluted	64,901,584	64,246,048	64,797,245	64,119,258
Net loss per share available to common stockholders—basic and diluted	$ (0.53)	$ (0.83)	$ (1.37)	$ (1.76)

(1) As the Company recorded a net loss in the three and six months ended June 29, 2024 and July 1, 2023, inclusion of shares from the conversion premium or spread would be anti-dilutive. The Company had $1.2 billion in Notes outstanding as of June 29, 2024 and July 1, 2023.

The following 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:

	Three Months Ended June 29, 2024	Three Months Ended July 1, 2023	Six Months Ended June 29, 2024	Six Months Ended July 1, 2023
Options to purchase common stock	5,400,017	4,532,389	5,400,017	4,532,389
RSUs	2,527,308	1,467,289	2,527,308	1,467,289
PSUs	225,967	—	225,967	—
Total	8,153,292	5,999,678	8,153,292	5,999,678

Note 12. Related Party Transactions

In connection with the Company's investment in TPP, a joint venture with PepsiCo, the Company sold certain products directly to the joint venture. In the year ended December 31, 2022, the Company also entered into an agreement for a non-refundable up-front fee associated with its manufacturing and supply agreement with TPP to be recognized over the estimated term of the manufacturing and supply agreement. As part of the restructuring of certain contracts and operating activities related to Beyond Meat Jerky, in the first quarter of 2023, the Company recognized in full the remaining balance of this fee. In 2023, as part of its Global Operations Review, the Company made the decision to discontinue the Beyond Meat Jerky product line.

Net revenues earned from TPP included in U.S. retail channel net revenues were $0 in the three months ended June 29, 2024 and July 1, 2023. Net revenues earned from TPP included in U.S. retail channel net revenues were $0 and $5.3 million, including the recognition of a $2.0 million non-refundable up-front fee, for the six months ended June 29, 2024 and July 1, 2023, respectively.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A, "Risk Factors," of our 2023 10-K and Part II, Item 1A, "Risk Factors" and "Note Regarding Forward-Looking Statements" included elsewhere in this report and those discussed in other documents we file from time to time with the SEC. The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes and other financial information included in this quarterly report and our audited consolidated financial statements and related notes included in our 2023 10-K. Our historical results are not necessarily indicative of the results to be expected for any future periods and our operating results for the three and six months ended June 29, 2024 are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2024 or for any other interim period or for any other future year or period.

Overview

Beyond Meat is a leading plant-based meat company, offering a portfolio of revolutionary plant-based meats. We build meat directly from plants, an innovation that enables consumers to experience the taste, texture and other sensory attributes of popular animal-based meat products while enjoying the nutritional and environmental benefits of eating our plant-based meat products. Our brand 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.

We sell a range of plant-based meat products across our three core platforms of beef, pork and poultry. As of June 2024, Beyond Meat branded products were available at approximately 130,000 retail and foodservice outlets in more than 60 countries worldwide, across mainstream grocery, mass merchandiser, club store and natural retailer channels, and various food-away-from-home channels, including restaurants, foodservice outlets and schools. The number of retail and foodservice outlets where Beyond Meat branded products are available was derived from rolling 52-week data as of June 2024 and excludes retail outlets unique to Beyond Meat Jerky. In 2023, as part of our Global Operations Review, we made the decision to discontinue the Beyond Meat Jerky product line.

In response to the current difficult environment and the negative impact of certain factors on our business and the overall plant-based meat category, beginning in 2022 we pivoted 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.

To further reduce operating expenses, in November 2023, we initiated our Global Operations Review, which involves narrowing our commercial focus to certain growth opportunities, and accelerating activities that prioritize gross margin expansion and cash generation. These efforts have to date included, and may in the future include, the exit or discontinuation of select product lines such as Beyond Meat Jerky; changes to our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels; accelerated, cash-accretive inventory reduction initiatives; further optimization of our manufacturing capacity and real estate footprint; and the review of our operations in China. As a result of this review, on November 1, 2023, our board of directors approved a plan to reduce our workforce by approximately 65 employees, representing approximately 19% of our global non-production workforce (or approximately 8% of our total global workforce). We may not be able to fully realize the cost savings and benefits initially anticipated from our cost reduction initiatives and Global Operations Review, and the realized costs may be greater than expected.

In recent periods, our net revenues, gross profit, gross margin, earnings and cash flows have been adversely impacted by the following, each of which may continue to impact our business and financial condition in the future:

- unfavorable changes in our product sales mix, including the launch of new products, which may carry lower margin profiles relative to existing products, increased sales generally carrying a lower selling price per pound as a percentage of our total sales to strategic QSR customers, and changing demand for our core products;
- continued weak demand and its resultant impact on our sales due to slower category growth, particularly for refrigerated plant-based meat;
- unfavorable changes in consumers’ perceptions about the health attributes of plant-based meats and increased competitive activity;
- deceleration of the adoption of plant-based meat across Europe and our ability to successfully launch extended shelf-life products, which could negatively impact our ability to expand distribution of our products;
- the impact of high inflation and the plant-based meat sector’s premium pricing relative to animal protein, which have caused and could continue to cause consumers to trade down into cheaper forms of protein, including animal meat, beans and other non-animal meat protein sources;
- negative impacts on capacity utilization as a result of lower than anticipated revenues, which have in the past and could in the future give rise to increased costs per unit, underutilization fees, termination fees and other costs to exit certain supply chain arrangements and product lines, and/or the write-down or write-off of certain equipment and other fixed assets, driving less leverage on fixed costs and delaying the speed at which cost savings initiatives positively impact our financial results;
- changes in forecasted demand, including for our core products—namely Beyond Burger, Beyond Beef, and Beyond Sausage—and others;
- our discontinuation of Beyond Meat Jerky;
- managing inventory levels, including sales to liquidation channels at lower prices, write-down or write-off of obsolete inventory, or increase in inventory provision;
- changes in our pricing strategy, including actions intended to improve our price competitiveness relative to competing products or to improve profitability, such as the recent price increases of certain of our products in our U.S. retail and foodservice channels;
- increased unit cost of goods sold due to lower production volumes in response to weaker demand, which has and may continue in the future to adversely impact coverage of fixed production costs within our manufacturing facilities;
- increased unit cost of goods sold due to input cost inflation, including higher transportation, raw materials, energy, labor and supply chain costs;
- potential disruption to our supply chain generally caused by distribution and other logistical issues, including the impact of cyber incidents at suppliers and vendors; and
- labor needs at the Company as well as in the supply chain and at customers.

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 and natural retailer channels, and various food-away-from-home channels, including restaurants, foodservice outlets and schools, mainly in the United States, the EU and Canada. Following our Global Operations Review, in recent periods, as part of our effort to reduce excess or obsolete inventory and generate incremental cash, we have also generated net revenues from sales of ingredients.

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 (as defined below)(1)
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

(1) Net revenues associated with Beyond Meat Jerky sold to the Planet Partnership, LLC ("TPP") in the three months ended June 29, 2024 and July 1, 2023 were $0. Net revenues associated with Beyond Meat Jerky sold to TPP in the six months ended June 29, 2024 and July 1, 2023 were $0 and $5.3 million, respectively. In 2023, as part of our Global Operations Review, we made the decision to discontinue the Beyond Meat Jerky product line.

The following factors and trends in our business have driven net revenue generation in prior periods and are expected to be key drivers of net revenue generation over time, subject to the challenges discussed above:

- increased penetration across our retail channel, including mainstream grocery, mass merchandiser, club store and natural retailer channels, and our foodservice channel, including increased desire by colleges and schools, foodservice establishments, including large Full Service Restaurant and/or global QSR customers, to add plant-based products to their menus and to highlight and retain 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 key strategic long-term partners and opportunities, and intensifying focus on channels and geographies that are exhibiting revenue growth;
- distribution expansion, increased sales velocity, household penetration, repeat purchases, buying rates (amount spent per buyer) and purchase frequency across our channels, including the success of promotional programs at attracting new users to the plant-based meat category;
- 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 operational effectiveness and ability to fulfill orders in full and on time;
- our continued innovation and product commercialization, including the introduction of new products and improvement of existing products, such as our Beyond IV generation of products, that appeal to a broad range of consumers, specifically those who typically eat animal-based meat;
- enhanced marketing efforts and the success thereof, as we continue to build our brand, use our portfolio and marketing to directly counter misinformation about our products and the plant-based meat category, 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;
- investment in in-store execution and field resources focused on shelf availability and presentation, particularly in the U.S. refrigerated meat case, to drive increased sales;
- 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, accessibility and speed with which we can get our products to customers internationally.

As we seek to grow our net revenues, we continue to face several challenges, including prolonged, weakened demand within the plant-based meat category overall, broad macroeconomic headwinds, including elevated levels of inflation, high interest rates, waning consumer confidence and recessionary concerns in certain geographic regions, adverse changes in consumers' perceptions about the health attributes of our products, increased competitive activity in the plant-based meat category, and global events such as the war in Ukraine and the conflict in Israel, Gaza and surrounding areas and their potential impact on availability of raw materials and/or distribution of our products.

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. The expense associated with these discounts and promotions is estimated and recorded as a reduction in total gross revenues in order to arrive at reported net revenues. At the end of each accounting period, we recognize a contra asset to "Accounts receivable" for estimated sales discounts that have been incurred but not paid which totaled $6.3 million and $6.9 million as of June 29, 2024 and December 31, 2023, respectively. We continue to face increasing competition across all channels, and we expect that trend to continue, especially if consumers continue to trade down among proteins in the context of significant inflationary pressure. Moving forward we expect to continue to invest in promotional discounting to address the current consumer trend with more targeted key selling period activations that we expect will allow us to scale back overall trade spending and continue to build brand awareness and increase consumer trials of our products.

In addition, because we do not have any purchase commitments from our distributors or customers, the amount of net revenues we recognize has varied and will vary in the future, from period to period, depending on the volume, timing and 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 order patterns of one or more of our large retail customers could cause a significant fluctuation in our quarterly results and could have a disproportionate effect on our results of operations for the entire fiscal year.

Our financial performance also depends on our operational effectiveness and ability to fulfill orders in full and on time. Disruptions in our supply chain could affect customer demand, resulting in orders that may not materialize due to delayed deliveries and subsequent lost sales that we may not be able to recover in full, or at all.

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 U.S. summer grilling season. In 2024, 2023 and 2022, U.S. retail channel net revenues during the second quarter were 21%, 10% and 16% higher than the first quarter, respectively. While we expected to continue to see additional seasonality effects in 2023, as compared to 2022, we saw more muted effects from seasonality in the third and fourth quarters of 2023 as compared to the prior-year periods and the second quarter of 2023, primarily reflecting weak category demand and pricing actions. In general, any historical effects of seasonality have been more pronounced within our U.S. retail channel, with revenue contribution from this channel generally tending to be greater in the second and third quarters of the year, driven by increased levels of grilling activity, higher levels of purchasing by customers ahead of holidays, the impact of customer shelf reset activity and the timing of product restocking by our retail customers. In an environment of heightened uncertainty from recessionary and inflationary pressures, prolonged weakness in the plant-based meat category, competition and other factors impacting our business, we are unable to assess the ultimate impact on the demand for our products as a result of seasonality.

Gross Profit and Gross Margin

Gross profit consists of our net revenues less cost of goods sold. Gross margin is gross profit expressed as a percentage of our net revenues. Our cost of goods sold primarily consists of the cost of raw materials including ingredients and packaging, co-manufacturing fees, direct and indirect labor and certain supply costs, inbound and internal shipping and handling costs incurred in manufacturing our products, warehouse storage fees, plant and equipment overhead, depreciation and amortization expense, provision for excess and obsolete inventory, and accelerated depreciation on write-offs and disposals of certain fixed assets. Under certain circumstances, our cost of goods sold may also include underutilization and/or termination fees associated with our co-manufacturing agreements.

Subject to recessionary and inflationary pressures, prolonged weakness in the plant-based meat category, competition and other factors impacting our business, which are discussed above, we continue to expect that long-term gross profit and gross margin improvements will be delivered primarily through:

- implementation of lean value streams across our beef, pork and poultry platforms;
- reviewing and adjusting our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels;
- exiting select product lines in order to eliminate margin-dilutive products or to streamline our supply chain operations;
- improved volume leverage and throughput;
- reduced manufacturing conversion costs driven in part by network consolidation and 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;
- end-to-end production processes across a greater proportion of our manufacturing network;
- scale-driven efficiencies in procurement and fixed cost absorption;
- product and process innovations and reformulations; 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 continues to decline, investments in our production infrastructure across the U.S., EU and China in advance of anticipated demand, which may not materialize within the expected timeframe, investment in production personnel, partnerships and product pipeline, aggressive pricing strategies and increased discounting, increases in inventory provision, write-down or write-off of obsolete inventory and potentially increased sales to liquidation channels at lower prices, changes in our product and customer sales mix, expansion into new geographies and markets where cost and pricing structures may differ from our existing markets, and underutilization fees, termination fees and other costs to exit certain supply chain arrangements and product lines. Gross margin improvement may also be negatively impacted by the impact of inflation, and 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 decreased our research and development expenses in 2023 and expect research and development expenses in 2024 to decrease further from the levels in 2023 primarily as a result of the reduction-in-force implemented in November 2023 and as we focus on reducing and optimizing operating expenses more broadly.

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, charges related to asset write-offs including loss on sale and write-down of fixed assets, consulting fees and other non-production operating expenses. Marketing and selling expenses include advertising costs, share-based compensation awards to non-employee consultants and 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 decreased SG&A expenses in 2023 and expect SG&A expenses in 2024 to decrease further from the levels in 2023, 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.

Results of Operations

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

	Three Months Ended		Six Months Ended	
(in thousands)	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Net revenues	$ 93,185	$ 102,149	$ 168,788	$ 194,385
Cost of goods sold	79,468	99,876	151,403	185,927
Gross profit	13,717	2,273	17,385	8,458
Research and development expenses	5,485	8,773	15,345	21,205
Selling, general and administrative expenses	42,163	47,455	89,445	99,355
Restructuring expenses	—	(201)	—	(627)
Total operating expenses	47,648	56,027	104,790	119,933
Loss from operations	$ (33,931)	$ (53,754)	$ (87,405)	$ (111,475)

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

	Three Months Ended		Six Months Ended	
	June 29, 2024	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Net revenues	100.0 %	100.0 %	100.0 %	100.0 %
Cost of goods sold	85.3	97.8	89.7	95.6
Gross profit	14.7 %	2.2 %	10.3 %	4.4 %
Research and development expenses	5.9	8.6	9.1	10.9
Selling, general and administrative expenses	45.2	46.5	53.0	51.1
Restructuring expenses	—	(0.2)	—	(0.3)
Total operating expenses	51.1 %	54.9 %	62.1 %	61.7 %
Loss from operations	(36.4)%	(52.7)%	(51.8)%	(57.3)%

Three and Six Months Ended June 29, 2024 Compared to Three and Six Months Ended July 1, 2023 (unaudited)

Net Revenues

The following table presents our net revenues by channel in the three months ended June 29, 2024 as compared to the prior-year period:

(in thousands)	Three Months Ended June 29, 2024	Three Months Ended July 1, 2023	Change Amount	Change %
U.S.:				
Retail	$ 44,869	$ 48,490	$ (3,621)	(7.5)%
Foodservice	10,350	12,764	(2,414)	(18.9)%
U.S. net revenues	55,219	61,254	(6,035)	(9.9)%
International:				
Retail	17,585	19,995	(2,410)	(12.1)%
Foodservice	20,381	20,900	(519)	(2.5)%
International net revenues	37,966	40,895	(2,929)	(7.2)%
Net revenues	$ 93,185	$ 102,149	$ (8,964)	(8.8)%

Net revenues in the three months ended June 29, 2024 decreased $9.0 million, or 8.8%, as compared to the prior-year period, primarily driven by a 14.0% decrease in volume of products sold, primarily reflecting weak category demand, partially offset by a 6.1% increase in net revenue per pound. The increase in net revenue per pound was primarily driven by lower trade discounts, price increases of certain of our products in our U.S. retail and foodservice channels and, to a lesser extent, changes in product sales mix, partially offset by unfavorable changes in foreign currency exchange rates.

Net revenues from U.S. retail sales in the three months ended June 29, 2024 decreased $3.6 million, or 7.5%, as compared to the prior-year period, primarily due to a 23.2% decrease in volume of products sold, primarily reflecting weak category demand and the lapping of substantial promotional sales to a club channel customer in the year-ago period, partially offset by a 20.5% increase in net revenue per pound, primarily driven by lower trade discounts, changes in product sales mix and price increases of certain of our products. U.S. retail channel net revenues in the three months ended June 29, 2024 included $0.8 million in ingredient sales. By product, the decrease in U.S. retail channel net revenues was primarily due to decreased sales of Beyond Burger, Beyond Beef, Beyond Breakfast Sausage and chicken products including Beyond Chicken Tenders, Beyond Chicken Nuggets and Beyond Popcorn Chicken, partially offset by increased sales of Beyond Steak and higher ingredient sales. Beyond Meat branded products were available at approximately 29,000 U.S. retail outlets as of June 2024.

Net revenues from U.S. foodservice sales in the three months ended June 29, 2024 decreased $2.4 million, or 18.9%, as compared to the prior-year period, primarily due to a 20.0% decrease in volume of products sold, primarily reflecting weak category demand and, to a lesser extent, distribution losses, partially offset by a 1.4% increase in net revenue per pound, primarily driven by price increases of certain of our products and changes in product sales mix, partially offset by increased trade discounts. By product, the decrease in U.S. foodservice channel net revenues was primarily due to decreased sales of Beyond Burger and Beyond Beef, partially offset by increased sales of chicken products including Beyond Chicken Tenders, Beyond Chicken Nuggets and Beyond Popcorn Chicken. Beyond Meat branded products were available at approximately 39,000 U.S. foodservice outlets as of June 2024.

Net revenues from international retail sales in the three months ended June 29, 2024 decreased $2.4 million, or 12.1%, as compared to the prior-year period, primarily due to a 6.9% decrease in net revenue per pound and a 5.5% decrease in volume of products sold, primarily reflecting reduced sales of chicken products in the EU and, to a lesser extent, demand softness in certain geographic regions. The decrease in net revenue per pound was primarily due to unfavorable changes in foreign currency exchange rates, increased trade discounts and pricing changes, partially offset by changes in product sales mix. By product, the decrease in international retail channel net revenues was primarily due to decreased sales of chicken products including Beyond Chicken Tenders and decreased sales of Beyond Beef. Beyond Meat branded products were available at approximately 37,000 international retail outlets as of June 2024.

Net revenues from international foodservice sales in the three months ended June 29, 2024 decreased $0.5 million, or 2.5%, as compared to the prior-year period, primarily due to a 1.4% decrease in volume of products sold and a 0.9% decrease in net revenue per pound. The decrease in net revenue per pound was primarily due to unfavorable changes in foreign currency exchange rates and changes in product sales mix, partially offset by lower trade discounts and pricing changes. By product, the decrease in international foodservice channel net revenues was primarily due to decreased sales of Beyond Beef Crumbles. Beyond Meat branded products were available at approximately 25,000 international foodservice outlets as of June 2024.

The following table presents our net revenues by channel in the six months ended June 29, 2024 as compared to the prior-year period:

	Six Months Ended		Change	
(in thousands)	June 29, 2024	July 1, 2023	Amount	%
U.S.:				
Retail	$ 81,957	$ 92,649	$ (10,692)	(11.5)%
Foodservice	22,654	27,439	(4,785)	(17.4)%
U.S. net revenues	104,611	120,088	(15,477)	(12.9)%
International:				
Retail	30,163	34,284	(4,121)	(12.0)%
Foodservice	34,014	40,013	(5,999)	(15.0)%
International net revenues	64,177	74,297	(10,120)	(13.6)%
Net revenues	$ 168,788	$ 194,385	$ (25,597)	(13.2)%

Net revenues in the six months ended June 29, 2024 decreased $25.6 million, or 13.2%, as compared to the prior-year period, primarily driven by a 15.0% decrease in volume of products sold, partially offset by a 2.0% increase in net revenue per pound. The decrease in volume of products sold primarily reflected weak category demand and reduced sales of Beyond Meat Jerky which has been discontinued. Net revenues from sales of Beyond Meat Jerky to TPP were $0 in the six months ended June 29, 2024, as compared to $5.3 million in the prior-year period, including the recognition of a $2.0 million non-refundable up-front fee in the six months ended July 1, 2023. The increase in net revenue per pound was primarily driven by price increases of certain of our products in our U.S. retail and foodservice channels, lower trade discounts and changes in product sales mix, partially offset by unfavorable changes in foreign currency exchange rates.

Net revenues from U.S. retail sales in the six months ended June 29, 2024 decreased $10.7 million, or 11.5%, as compared to the prior-year period, primarily due to a 17.5% decrease in volume of products sold, partially offset by a 7.1% increase in net revenue per pound. The decrease in volume of products sold primarily reflected weak category demand and reduced sales of Beyond Meat Jerky which has been discontinued, and lapping of substantial promotional sales to a club channel customer in the prior-year period. The increase in net revenue per pound was primarily driven by lower trade discounts, price increases of certain of our products and changes in product sales mix. U.S. retail channel net revenues in the six months ended June 29, 2024 included $2.4 million in ingredient sales. By product, the decrease in U.S. retail channel net revenues was primarily due to decreased sales of Beyond Burger, Beyond Meat Jerky, Beyond Beef, chicken products, including Beyond Chicken Tenders, Beyond Chicken Nuggets and Beyond Popcorn Chicken, Beyond Sausage, Beyond Meatballs and Beyond Breakfast Sausage, partially offset by increased sales of Beyond

Steak and higher ingredient sales. Net revenues from sales of Beyond Meat Jerky to TPP were $0 in the six months ended June 29, 2024, as compared to $5.3 million for the six months ended July 1, 2023, including the recognition of a $2.0 million non-refundable up-front fee.

Net revenues from U.S. foodservice sales in the six months ended June 29, 2024 decreased $4.8 million, or 17.4%, as compared to the prior-year period, primarily driven by a 20.4% decrease in volume of products sold, primarily reflecting weak category demand and, to a lesser extent, distribution losses, partially offset by a 3.8% increase in net revenue per pound, primarily driven by changes in product sales mix and price increases of certain of our products, partially offset by higher trade discounts. By product, the decrease in U.S. foodservice channel net revenues was primarily due to decreased sales of Beyond Burger and Beyond Beef.

Net revenues from international retail sales in the six months ended June 29, 2024 decreased $4.1 million, or 12.0%, as compared to the prior-year period, primarily driven by an 8.7% decrease in volume of products sold, primarily reflecting reduced sales of chicken products in the EU and softer demand for certain products in Canada, and a 3.7% decrease in net revenue per pound. The decrease in net revenue per pound was primarily due to unfavorable changes in foreign currency exchange rates, higher trade discounts and reduced pricing of certain products, partially offset by changes in product sales mix. By product, the decrease in international retail channel net revenues was primarily due to decreased sales of chicken products, Beyond Beef and Beyond Sausage, partially offset by increased sales of Beyond Steak.

Net revenues from international foodservice sales in the six months ended June 29, 2024 decreased $6.0 million, or 15.0%, as compared to the prior-year period, primarily due to a 12.7% decrease in volume of products sold, primarily reflecting weak category demand, and a 2.6% decrease in net revenue per pound, primarily due to higher trade discounts and unfavorable changes in foreign currency exchange rates, partially offset by pricing changes. By product, the decrease in international foodservice channel net revenues was primarily due to decreased sales of Beyond Burger, chicken products and Beyond Beef Crumbles.

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

	Three Months Ended		Change		Six Months Ended		Change	
(in thousands)	June 29, 2024	July 1, 2023	Amount	%	June 29, 2024	July 1, 2023	Amount	%
U.S.:								
Retail	8,099	10,550	(2,451)	(23.2)%	15,569	18,865	(3,296)	(17.5)%
Foodservice	1,768	2,211	(443)	(20.0)%	3,790	4,762	(972)	(20.4)%
International:								
Retail	3,926	4,156	(230)	(5.5)%	6,840	7,493	(653)	(8.7)%
Foodservice	5,912	5,998	(86)	(1.4)%	10,075	11,547	(1,472)	(12.7)%
Volume of products sold	19,705	22,915	(3,210)	(14.0)%	36,274	42,667	(6,393)	(15.0)%

Cost of Goods Sold

	Three Months Ended		Change		Six Months Ended		Change	
(in thousands)	June 29, 2024	July 1, 2023	Amount	%	June 29, 2024	July 1, 2023	Amount	%
Cost of goods sold	$ 79,468	$ 99,876	$ (20,408)	(20.4)%	$ 151,403	$ 185,927	$ (34,524)	(18.6)%

Cost of goods sold decreased $20.4 million, or 20.4%, to $79.5 million, in the three months ended June 29, 2024 as compared to the prior-year period. As a percentage of net revenues, cost of goods sold decreased to 85.3% of net revenues in the three months ended June 29, 2024, from 97.8% of net revenues in the prior-year period. The decrease in cost of goods sold was primarily due to lower volume of products sold, and, to a lesser extent, decreased cost per pound. On a per pound basis, cost of goods sold decreased primarily due to lower inventory provision, lower manufacturing costs including depreciation, and lower logistics costs, partially offset by higher materials costs.

Cost of goods sold decreased $34.5 million, or 18.6%, to $151.4 million, in the six months ended June 29, 2024 as compared to the prior-year period. As a percentage of net revenues, cost of goods sold decreased to 89.7% of net revenues in the six months ended June 29, 2024 from 95.6% of net revenues in the prior-year period primarily due to lower volume of products sold, and, to a lesser extent, decreased cost per pound. On a per pound basis, cost of goods sold decreased primarily due to lower inventory provision and lower logistics costs, partially offset by higher materials costs.

Gross Profit and Gross Margin

	Three Months Ended		Change		Six Months Ended		Change	
(in thousands)	**June 29, 2024**	**July 1, 2023**	**Amount**	**%**	**June 29, 2024**	**July 1, 2023**	**Amount**	**%**
Gross profit	$13,717	$2,273	$11,444	503.5%	$17,385	$8,458	$8,927	105.5%
Gross margin	14.7%	2.2%	1,250 bps	N/A	10.3%	4.4%	590 bps	N/A

Gross profit in the three months ended June 29, 2024 was $13.7 million as compared to $2.3 million in the prior-year period, an increase of $11.4 million, or 503.5%. Gross margin in the three months ended June 29, 2024 increased to 14.7% from 2.2% in the prior-year period. Gross profit and gross margin in the three months ended June 29, 2024 as compared to the prior-year period were positively impacted by lower cost of goods sold per pound and higher net revenue per pound, partially offset by decreased volume of products sold.

Gross profit in the six months ended June 29, 2024 was $17.4 million as compared to $8.5 million in the prior-year period, an increase of $8.9 million, or 105.5%. Gross margin in the six months ended June 29, 2024 increased to 10.3% from 4.4% in the prior-year period. Gross profit and gross margin in the six months ended June 29, 2024 as compared to the prior-year period were positively impacted by lower cost of goods sold per pound and higher net revenue per pound.

As disclosed in Note 2, *Summary of Significant Accounting Policies—Shipping and Handling Costs*, to the Notes to Unaudited Condensed 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

	Three Months Ended		Change		Six Months Ended		Change	
(in thousands)	**June 29, 2024**	**July 1, 2023**	**Amount**	**%**	**June 29, 2024**	**July 1, 2023**	**Amount**	**%**
Research and development expenses	$ 5,485	$ 8,773	$ (3,288)	(37.5)%	$ 15,345	$ 21,205	$ (5,860)	(27.6)%

Research and development expenses decreased $3.3 million, or 37.5%, in the three months ended June 29, 2024, as compared to the prior-year period. Research and development expenses decreased to 5.9% of net revenues in the three months ended June 29, 2024 from 8.6% of net revenues in the prior-year period. The decrease in research and development expenses was primarily due to lower expenses from in-sourcing trial production work, lower salaries and related expenses resulting from the reduction in headcount implemented in 2023, and lower scale-up expenses compared to the prior-year period.

Research and development expenses decreased $5.9 million, or 27.6%, in the six months ended June 29, 2024, as compared to the prior-year period. Research and development expenses decreased to 9.1% of net revenues in the six months ended June 29, 2024 from 10.9% of net revenues in the prior-year period. The decrease in research and development expenses was primarily due to lower expenses from in-sourcing trial production work, lower salaries and related expenses resulting from the reduction in headcount and lower scale-up expenses compared to the prior-year period.

SG&A Expenses

	Three Months Ended		Change		Six Months Ended		Change	
(in thousands)	June 29, 2024	July 1, 2023	Amount	%	June 29, 2024	July 1, 2023	Amount	%
Selling, general and administrative expenses	$ 42,163	$ 47,455	$ (5,292)	(11.2)%	$ 89,445	$ 99,355	$ (9,910)	(10.0)%

SG&A expenses decreased $5.3 million, or 11.2%, to $42.2 million, or 45.2% of net revenues in the three months ended June 29, 2024, from $47.5 million, or 46.5% of net revenues in the prior-year period. The decrease in SG&A expenses was primarily due to $2.1 million in lower product donation expenses, $1.8 million in lower share-based compensation expense, $1.3 million in lower advertising expenses, $0.9 million in lower outbound freight expenses, and $0.6 million in lower salaries and related expenses, partially offset by $0.7 million in higher supply chain expenses and $0.5 million in higher commissions.

SG&A expenses decreased $9.9 million, or 10.0%, to $89.4 million, or 53.0% of net revenues in the six months ended June 29, 2024, from $99.4 million, or 51.1% of net revenues in the prior-year period. The decrease in SG&A expenses was primarily due to $5.6 million in lower share-based compensation expense, $4.8 million in lower advertising expenses, $3.4 million in lower loss on sale of fixed assets, $3.3 million in lower salaries and related expenses, $3.2 million in lower product donation expenses and $2.1 million in lower outbound freight expenses, partially offset by $1.9 million in higher supply chain expenses, $1.7 million in higher consulting and professional services expenses, and $0.6 million in higher commissions. SG&A expenses in the six months ended June 29, 2024 included $7.5 million related to a class action settlement agreement, which is subject to preliminary and final court approval, in connection with the settlement of certain consumer class action lawsuits that originated in 2022.

Loss from Operations

Loss from operations in the three months ended June 29, 2024 was $33.9 million compared to $53.8 million in the prior-year period. The decrease in loss from operations was primarily driven by higher gross profit and the reduction in operating expenses.

Loss from operations in the six months ended June 29, 2024 was $87.4 million compared to $111.5 million in the prior-year period. The decrease in loss from operations was primarily driven by higher gross profit and the reduction in operating expenses. Loss from operations in the six months ended June 29, 2024 was negatively impacted by $7.5 million in SG&A expenses related to a class action settlement agreement, which is subject to preliminary and final court approval, in connection with the settlement of certain consumer class action lawsuits that originated in 2022.

Total Other (Expense) Income, Net

Total other (expense) income, net, in the three months ended June 29, 2024 of $(0.6) million consisted primarily of $(1.2) million in realized and unrealized foreign currency transaction losses due to unfavorable changes in foreign currency exchange rates of the Euro and the Chinese Yuan and $(1.0) million in interest expense from the amortization of convertible debt issuance costs, partially offset by $1.7 million in interest income. Total other (expense) income, net, in the three months ended July 1, 2023 of $0.8 million consisted primarily of $2.9 million in interest income, partially offset by $(1.0) million in realized and unrealized foreign currency transaction losses due to unfavorable changes in foreign currency exchange rates of the Euro and the Chinese Yuan and $(1.0) million in interest expense from the amortization of convertible debt issuance costs.

Total other (expense) income, net, in the six months ended June 29, 2024 of $(1.4) million consisted primarily of $(3.5) million in realized and unrealized foreign currency transaction losses due to unfavorable changes in foreign exchange rates of the Euro and Chinese Yuan and $(2.0) million in interest expense from the amortization of convertible debt issuance costs, partially offset by $3.7 million in interest income and $0.5 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. Total other (expense) income, net, in the six months ended July 1, 2023 of $2.7 million consisted primarily of $5.7 million in interest income, partially offset by $(2.0) million in interest expense from the amortization of convertible debt issuance costs and $(0.7) million in realized and unrealized foreign currency transaction losses due to unfavorable changes in foreign currency exchange rates of the Euro and Chinese Yuan.

Net Loss

Net loss in the three months ended June 29, 2024 was $34.5 million, as compared to $53.5 million in the prior-year period. Net loss per common share in the three months ended June 29, 2024 was $0.53, as compared to $0.83 in the prior-year period. The decrease in net loss was primarily driven by higher gross profit, lower operating expenses and a $0.5 million reduction in losses related to TPP, partially offset by the reduction in Total other (expense) income, net.

Net loss was $88.8 million in the six months ended June 29, 2024, as compared to $112.5 million in the prior-year period. Net loss per common share in the six months ended June 29, 2024 was $1.37, as compared to $1.76 in the prior-year period. The decrease in net loss was primarily due to higher gross profit, lower operating expenses and a $3.7 million reduction in losses related to TPP, partially offset by a reduction in Total other (expense) income, net. Net loss in the six months ended June 29, 2024 was negatively impacted by $7.5 million in SG&A expenses related to a class action settlement agreement, which is subject to preliminary and final court approval, in connection with the settlement of certain consumer class action lawsuits that originated in 2022.

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 substitutes for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies.

“Adjusted EBITDA” is defined as net loss adjusted to exclude, when applicable, income tax expense, interest expense, depreciation and amortization expense, restructuring expenses, share-based compensation expense, accrued litigation settlement costs and Other, net, including interest income 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 share-based compensation expense and therefore does not include all of our compensation costs;
- Adjusted EBITDA does not reflect accrued litigation settlement costs which reduce cash available to us;
- Adjusted EBITDA does not reflect Other, net, including interest income 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):

	Three Months Ended		Six Months Ended	
(in thousands)	**June 29, 2024**	**July 1, 2023**	**June 29, 2024**	**July 1, 2023**
Net loss, as reported	$ (34,479)	$ (53,505)	$ (88,840)	$ (112,542)
Income tax (benefit) expense	(34)	5	(32)	5
Interest expense	1,029	989	2,044	1,978
Depreciation and amortization expense	5,213	5,879	12,182	11,928
Restructuring expenses[1]	—	(201)	—	(627)
Share-based compensation expense	5,773	7,748	11,848	17,313
Accrued litigation settlement costs	—	—	7,500	—
Other, net[2][3]	(477)	(1,746)	(600)	(4,654)
Adjusted EBITDA	$ (22,975)	$ (40,831)	$ (55,898)	$ (86,599)
Net loss as a % of net revenues	(37.0)%	(52.4)%	(52.6)%	(57.9)%
Adjusted EBITDA as a % of net revenues	(24.7)%	(40.0)%	(33.1)%	(44.6)%

(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. On October 18, 2022, the parties to this dispute entered into a confidential written settlement agreement and mutual release related to this matter. In the three and six months ended July 1, 2023, we recorded a credit of $(0.2) million and $(0.6) million, respectively, in restructuring expenses, primarily driven by a reversal of certain accruals.

(2) Includes $1.2 million and $1.0 million in net foreign currency transaction losses in the three months ended June 29, 2024 and July 1, 2023, respectively. Includes $3.5 million and $0.7 million in net foreign currency transaction losses in the six months ended June 29, 2024 and July 1, 2023, respectively.

(3) Includes $1.7 million and $2.9 million in interest income in the three months ended June 29, 2024 and July 1, 2023, respectively, and $3.7 million and $5.7 million in interest income in the six months ended June 29, 2024 and July 1, 2023, respectively.

Liquidity and Capital Resources

ATM Program

In May 2023, we filed an automatic shelf registration statement on Form S-3 (the "2023 Shelf Registration Statement") with the SEC registering an indeterminate amount of our common stock, preferred stock, debt securities, warrants, purchase contracts and units (collectively, "Company securities"). On March 18, 2024, we filed an updated shelf registration statement on Form S-3 (the "2024 Shelf Registration Statement"), which the SEC declared effective on April 12, 2024 and which replaced the 2023 Shelf Registration Statement. The 2024 Shelf Registration Statement allows us to sell, from time to time and at our discretion, Company securities having an aggregate offering price of up to $250.0 million including up to $200.0 million in shares of common stock that may be sold pursuant to our equity distribution agreement (the "Equity Distribution Agreement") with Goldman Sachs & Co. LLC ("Goldman Sachs"), as sales agent, under an "at the market" offering program (the "ATM Program").

Pursuant to the Equity Distribution Agreement, we may offer and sell common stock having an aggregate offering price of up to $200.0 million from time to time to or through Goldman Sachs, as the sales agent, subject to our compliance with applicable laws and the applicable requirements of the Equity Distribution Agreement. The Equity Distribution Agreement also requires us to pay Goldman Sachs a commission equal to 3.25% of the aggregate gross proceeds of any shares sold through Goldman Sachs pursuant to the Equity Distribution Agreement. We intend to use the net proceeds, if any, from sales of common stock issued under the ATM Program for general corporate and working capital purposes. The timing of any sales and the number of shares sold, if any, will depend on a variety of factors to be determined and considered by us. We are not obligated to sell any shares under the Equity Distribution Agreement. As of June 29, 2024, no sales had been made under the Equity Distribution Agreement and the ATM Program's full capacity remained available.

Convertible Senior Notes

In 2021, we issued a total of $1.15 billion aggregate principal amount of 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. For a discussion about the Convertible Notes, see Note 6, *Debt,* to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Liquidity

Liquidity Outlook

In the remainder of 2024, 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*," of our 2023 10-K and Part II, Item 1A, "*Risk Factors*" and "*Note Regarding Forward-Looking Statements*" included elsewhere in this report. In addition, inflation, high interest rates in certain geographic regions, overall economic conditions, concerns about the likelihood of a recession and hostilities in Eastern Europe and the Middle East, among other factors, have led to increased disruption and volatility in capital markets and credit markets generally, which could adversely affect our ability to access capital resources in the future and potentially harm our liquidity outlook.

Our current business plan is to continue to reduce operating expenses and utilize inventory management to reduce working capital. To further reduce operating expenses, in November 2023, we initiated our Global Operations Review, which involves narrowing our commercial focus to certain growth opportunities and accelerating activities that prioritize gross margin expansion and cash generation. These efforts have to date included, and may in the future include, the discontinuation of select product lines such as Beyond Meat Jerky; changes to our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels; accelerated, cash-accretive inventory reduction initiatives; further optimization of our manufacturing capacity and real estate footprint; and the review of our operations in China.

Based on our current business plan, we believe that our existing cash balances, including 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. We anticipate that we will seek to raise additional capital in 2024, which may include the issuance of debt or equity securities, including through the ATM Program, subject to our compliance with applicable laws and the applicable requirements of the Equity Distribution Agreement, or securities convertible into or exchangeable for our common stock. Such financing and other potential financings 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, we may be unable to raise additional funds or enter into such other arrangements when needed, on favorable terms or at all. Our cash requirements under our significant contractual obligations and commitments are listed below in the section titled "*Contractual Obligations and Commitments*."

Our future capital requirements may vary materially from those currently planned and will depend on many factors including, among others, demand in the plant-based meat category and for our products; our rate of revenue generation; the results of our Global Operations Review and the successful implementation of our ongoing cost-reduction initiatives; 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, including the timing and success of subleasing, assigning or otherwise transferring any excess space we may have at our Campus Headquarters; the success of, and expenses associated with, our marketing initiatives; our investment in manufacturing and facilities to optimize our manufacturing and production capacity, including underutilization fees, termination fees and exit costs; our investments in real property and joint ventures; the costs required to fund domestic and international operations and growth; the scope, progress, results and costs of researching and developing future products or improvements to existing products or manufacturing processes; any lawsuits related to our products or commenced against us, including the class actions brought against us or the derivative actions brought against certain of our current and former directors and officers; the expenses needed to attract and retain skilled personnel; variations in product selling prices and costs, the timing and success of changes to our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels, and the mix of products sold; the level of trade and promotional spending to support our products appropriately; the expenses associated with our sales force; our management of accounts receivable, inventory, accounts payable and other working capital accounts; the impact of foreign currency exchange fluctuations on our cash balances; 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.

Our operating environment continues to be affected by uncertainty related to macroeconomic issues, including ongoing, further weakened demand in the plant-based meat category, high inflation, higher interest rates, and concerns about the likelihood of a recession, among other things, all of which have had and could continue to have unforeseen impacts on our actual realized results, including our liquidity outlook. Although in the third quarter of 2023 we met our previously stated target of achieving cash flow positive operations within the second half of 2023, this outcome included the benefit of certain transitory factors which abated and, as such, we did not sustain free cash flow positive operations in the fourth quarter of 2023 or in the first half of 2024. Our ability to make progress toward our goal of achieving sustained cash flow positive operations is dependent on a number of assumptions and uncertainties, including, without limitation, demand in the plant-based meat category and for our products; our ability to reduce costs and achieve positive gross margins; our ability to grow revenues and meet operating expense reduction targets, which may be subject to factors beyond our control; timing of capital expenditures; and our ability to monetize inventory and manage working capital.

Sources of Liquidity

Our primary cash needs are for operating expenses, working capital and capital expenditures to support our business. We finance our operations primarily through sales of our products and existing cash. 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 initial public offering, we sold an aggregate of 11,068,750 shares of our common stock at a public offering price of $25.00 per share and received approximately $252.4 million in net proceeds. In 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 2021, we issued a total of $1.15 billion in aggregate principal amount of Convertible Notes. See Note 6, *Debt,* to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report. On March 18, 2024, we filed the Shelf Registration Statement with the SEC, which the SEC declared effective on April 12, 2024, in connection with our ATM Program, discussed above. As of June 29, 2024, no sales had been made under the Equity Distribution Agreement and the ATM Program's full capacity remained available.

As of June 29, 2024, we had $144.9 million in unrestricted cash and cash equivalents and $13.1 million in restricted cash, which was comprised of $12.6 million to secure the letter of credit to support the development and leasing of our Campus Headquarters and $0.5 million to secure a letter of credit associated with a third party contract manufacturer in Europe. In the three months ended June 29, 2024, the letter of credit associated with the third party contract manufacturer was renegotiated and reduced from $2.8 million at December 31, 2023 to $0.5 million at June 29, 2024.

We anticipate that we will seek to raise additional capital in 2024, which may include the issuance of debt or equity securities, including through our ATM Program, subject to our compliance with applicable laws and the applicable requirements of the Equity Distribution Agreement, or securities convertible into or exchangeable for our common stock.

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 (unaudited):

(in thousands)	Six Months Ended June 29, 2024	Six Months Ended July 1, 2023
Cash (used in) provided by:		
Operating activities	$ (47,814)	$ (88,336)
Investing activities	$ 1,169	$ (8,073)
Financing activities	$ (1,048)	$ (300)

Net Cash Used in Operating Activities

In the six months ended June 29, 2024, we incurred a net loss of $88.8 million, which was the primary reason for net cash used in operating activities of $47.8 million. Net cash inflows from changes in our operating assets and liabilities were $7.6 million, primarily from a decrease in raw materials and packaging, and work in process inventories, an increase in accrued expenses and other current liabilities, and an increase in accounts payable, partially offset by an increase in accounts receivable, an increase in prepaid lease costs, non-current, an increase in prepaid expenses and other current assets, and a decrease in operating lease liabilities. Net loss in the six months ended June 29, 2024 included $33.4 million in non-cash expenses primarily comprised of depreciation and amortization expense, share-based compensation expense, non-cash lease expense, unrealized loss on foreign currency exchange transactions and amortization of debt issuance costs.

In the six months ended July 1, 2023, we incurred a net loss of $112.5 million, which was the primary reason for net cash used in operating activities of $88.3 million. Net cash outflows from changes in our operating assets and liabilities was $18.4 million, primarily due to payments of accounts payable, an increase in accounts receivable, an increase in prepaid expenses and other current assets, an increase in prepaid lease costs related to our Campus Headquarters and a decrease in operating lease liabilities, partially offset by a decrease in raw materials and packaging and finished goods inventory. Net loss in the six months ended July 1, 2023 included $42.6 million in non-cash expenses primarily comprised of share-based compensation expense, depreciation and amortization expense, loss on sales of fixed assets and equity in losses of TPP.

Depreciation and amortization expense was $12.2 million and $11.9 million in the six months ended June 29, 2024 and July 1, 2023, respectively.

Net Cash Provided by (Used in) Investing Activities

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

In the six months ended June 29, 2024, net cash provided by investing activities was $1.2 million and consisted of $3.2 million in proceeds from sales of certain fixed assets and $0.5 million in proceeds from the return of security deposits, partially offset by cash outflows for purchases of property, plant and equipment, primarily driven by investments in production equipment and facilities.

In the six months ended July 1, 2023, net cash used in investing activities was $8.1 million and consisted of cash outflows for purchases of property, plant and equipment, primarily driven by investments in production equipment and facilities, and $3.3 million in investment in TPP that was previously committed, partially offset by $2.3 million in proceeds from sales of certain fixed assets.

Net Cash Used in Financing Activities

In the six months ended June 29, 2024, net cash used in financing activities was $1.0 million, primarily from the $0.5 million in payments of minimum withholding taxes on net share settlement of equity awards and $0.5 million in payments under finance lease obligations.

In the six months ended July 1, 2023, net cash used in financing activities was $0.3 million, primarily from the $0.3 million in payments of minimum withholding taxes on net share settlement of equity awards and $0.1 million in payments under finance lease obligations, partially offset by $0.2 million in proceeds from stock option exercises.

Contractual Obligations and Commitments

There have been no significant changes during the six months ended June 29, 2024 to the contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations set forth in the 2023 10-K, other than the following:

Leases

In 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 $3.2 million and $4.2 million in rent prepayments and payments towards the construction of the Campus Headquarters in the six months ended June 29, 2024 and the year ended December 31, 2023, respectively. The rent prepayments and payment towards construction costs are initially recorded in "Prepaid lease costs, non-current" in our condensed 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. We began recognizing a right-of-use asset and lease liability for Phase1-A in our condensed consolidated balance sheet in the year ended December 31, 2022 and for Phase 1-B in our condensed consolidated balance sheet in the second quarter ended July 1, 2023. Aggregate payments towards base rent over the initial lease term associated with the remaining phases not yet delivered to us are approximately $79.4 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 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 included in our condensed consolidated balance sheets as "Restricted cash, non-current" as of June 29, 2024 and December 31, 2023. See Note 3, *Leases*, and Note 9, *Commitments and Contingencies*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Given our intention to reduce our overall operating expenses and cash expenditures, on February 2, 2024, we terminated the agreement to purchase a property adjacent to our manufacturing facility in Enschede, the Netherlands (the "Enschede Property") and the security deposit was returned to us and subsequently paid to the purchaser of the property to be applied towards the deposit and future lease payments. We entered into a lease agreement with the purchaser of the property to lease the approximately 114,000 square foot property for an initial period of five years with an option to renew for an additional five years at an annual rent of approximately €1.0 million.

On January 31, 2024, the lease on our Manhattan Beach Project Innovation Center expired.

Purchase Commitments

In 2022, we entered into a co-manufacturing agreement ("Agreement") with a co-manufacturer to manufacture various products for us. The Agreement included a minimum order quantity commitment per month and an aggregate quantity over a five-year term. On November 21, 2023, we terminated the Agreement because the co-manufacturer failed to meet its obligations under the Agreement and recorded $4.4 million in termination-related charges. In March 2024, the co-manufacturer brought an action against us in a confidential arbitration proceeding. See Note 9, *Commitments and Contingencies—Litigation—Arbitration with Former Co-Manufacturer*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

As of June 29, 2024, we had committed to purchase pea protein inventory totaling $22.5 million, with $5.4 million in the remainder of 2024 and $17.1 million in 2025. In addition, as of June 29, 2024, we had approximately $6.5 million in purchase order commitments for capital expenditures to purchase property, plant and equipment including machinery and equipment. Payments for these purchases will be due within twelve months.

Settlement of Consumer Class Actions Regarding Protein Claims

On May 6, 2024, we entered into a confidential binding settlement term sheet with respect to certain consumer class action lawsuits that originated in 2022. On July 8, 2024, the parties entered into a class action settlement agreement, pursuant to which we agreed to contribute $7.5 million to a settlement fund in full satisfaction of all settlement costs and attorneys' fees, which is subject to preliminary and final court approval. See Note 9, *Commitments and Contingencies—Litigation—Consumer Class Actions Regarding Protein Claims*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

Since the settlement is subject to preliminary and final court approval, the timing of payments is uncertain; however, we anticipate paying $250,000 in 2024, with the remainder, $7.25 million, anticipated to be paid in 2025. We have recorded $7.5 million in SG&A expenses in our condensed consolidated statement of operations in the six months ended June 29, 2024, which is included in "Accrued litigation settlement costs" in our condensed consolidated balance sheet as of June 29, 2024.

Off-Balance Sheet Arrangements

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

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.

There have been no material changes in our critical accounting policies during the six months ended June 29, 2024, as compared to those disclosed in the "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies*" in the 2023 10-K.

Recently Adopted Accounting Pronouncements

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Interest Rate Risk

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

In 2021, we issued a total of $1.15 billion aggregate principal amount of 0% Convertible Senior Notes due 2027. 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 6, *Debt,* to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report. The Notes do not bear regular interest, and the principal amount of the Notes do not accrete. However, special interest and additional interest may accrue on the Notes at a rate per annum not exceeding 0.50% (subject to certain exceptions) upon the occurrence of certain events relating to the failure to file certain SEC reports or to remove certain restrictive legends from the Notes.

Ingredient Risk

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. 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.

In the three and six month ended June 29, 2024, a hypothetical 10% increase or 10% decrease in the weighted-average cost of pea protein, our primary ingredient, would have resulted in an increase of approximately $0.8 million and $1.6 million, respectively, or a decrease of approximately $0.8 million and $1.6 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 June 29, 2024, we had a multi-year sales agreement with Roquette which expires in December 2025. See Note 9, *Commitments and Contingencies*, to the Notes to Unaudited Condensed 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 currency 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. Foreign currency translation gain (loss), net of tax, reported as cumulative translation adjustment through “Other comprehensive income (loss)” was $0.2 million and $(0.2) million in the three months ended June 29, 2024 and July 1, 2023, respectively. Net realized and unrealized foreign currency transaction losses included in “Other, net” were $1.2 million and $1.0 million in the three months ended June 29, 2024 and July 1, 2023, respectively.

Foreign currency translation gain (loss), net of tax, reported as cumulative translation adjustments through “Other comprehensive income (loss)” was $0.9 million and $(0.2) million in the six months ended June 29, 2024 and July 1, 2023, respectively. Net realized and unrealized foreign currency transaction losses included in “Other, net” were $3.5 million and $0.7 million in the six months ended June 29, 2024 and July 1, 2023, respectively.

Based on the intercompany balances as of June 29, 2024, an assumed 5% or 10% adverse change to foreign currency exchange rates would result in a loss of approximately $5.3 million and $10.6 million, respectively, recorded in “Other, net” in the three and six months ended June 29, 2024.

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 higher interest rates, has negatively impacted, and could continue to negatively impact, our business and results of operations”* in Part I, Item 1A, “*Risk Factors*,” in our 2023 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 29, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

Part II. Other Information

ITEM 1. LEGAL PROCEEDINGS.

We are subject to various legal proceedings and claims that arise in the ordinary course of our business. We establish 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 9, *Commitments and Contingencies*, of the Notes to Unaudited Condensed 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 1A. RISK FACTORS.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A, "*Risk Factors*" in our 2023 10-K, as updated and supplemented below and in our subsequent filings. These risks could materially harm our business, operating results and financial condition. Additional factors and uncertainties not currently known to us or that we currently consider immaterial also may materially adversely affect our business, financial condition or future results.

Risk Factors

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

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

In 2021, we entered into a lease agreement for an initial term of 12 years to develop and house our Campus Headquarters. The Campus Headquarters is being built out by the Landlord, who delivered Phase 1-A of the Campus Headquarters to us in the third quarter of 2022 and Phase 1-B of the Campus Headquarters to us in the second quarter of 2023. We currently do not have firm timing on the delivery of the rest of the Campus Headquarters. If we cannot complete development of the Campus Headquarters for any reason or within the approved budget, or if there are significant cost overruns and/or delays in the development of the Campus Headquarters, our cash flows, financial condition, or results of operations could be materially and adversely affected. In addition, we may not be able to build out or occupy the rest of the Campus Headquarters and are considering subleasing, assigning or otherwise transferring the unoccupied part but may be unable to enter into such an agreement, which could have an adverse effect on our operating and financial results. An agreement to sublease, assign or otherwise transfer the unoccupied part of the Campus Headquarters would be subject to certain risks and uncertainties. For example, the agreement may not be completed on terms advantageous to us because the rental rate we receive under the agreement may not fully cover the rental rate we pay under the Campus Lease for the same space or our subtenants may fail to make lease payments, which may result in impairment charges for right-of-use assets and prepaid lease costs and could have a negative impact on our financial condition and results of operations.

In addition, if the Landlord has not received invoices and other required documentation relating to the build out of the Campus Headquarters by September 30, 2024, we may lose the ability to use the improvement allowance given under the Campus Lease to pay for such costs. Our inability to use the improvement allowance to build out the rest of the Campus Headquarters may limit us from further developing and occupying, or subleasing, assigning, or otherwise transferring the rest of the Campus Headquarters. Further, there could be unanticipated difficulties in initiating and maintaining operations at the Campus Headquarters, including, but not limited to, IT system interruptions, other infrastructure support problems or the Campus Headquarters may prove 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 remedy and could have an adverse impact on our financial condition and results of operations.

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 June 29, 2024, we had cash and cash equivalents and restricted cash of $158.0 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. For example, on March 18, 2024, we filed the 2024 Shelf Registration Statement, which the SEC declared effective on April 12, 2024 and which replaced the 2023 Shelf Registration Statement. The 2024 Shelf Registration Statement allows us to sell, from time to time and at our discretion, Company securities having an aggregate offering price of up to $250.0 million including up to $200.0 million in shares of common stock that may be sold pursuant to the Equity Distribution Agreement under the ATM Program. Such financing and other potential financings 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 high interest rates in certain geographic regions 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 may vary materially from those currently planned and will depend on many factors, including, among others:

- demand in the plant-based meat category and for our products;
- our rate of revenue generation;
- the results of our review of our global operations and the successful implementation of our ongoing cost-reduction initiatives;
- 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, including the timing and success of subleasing, assigning or otherwise transferring any excess space we may have at our Campus Headquarters;
- the success of, and expenses associated with, our marketing initiatives;
- our investment in manufacturing and facilities to optimize our manufacturing and production capacity, including underutilization fees, termination fees and exit costs;
- our investments in real property and joint ventures;
- the costs required to fund domestic and international operations and growth;
- the scope, progress, results and costs of researching and developing future products or improvements to existing products or manufacturing processes;
- any lawsuits related to our products or commenced against us, including the class actions brought against us or the derivative actions brought against certain of our current and former directors and officers;
- the expenses needed to attract and retain skilled personnel;
- variations in product selling prices and costs;
- the timing and success of changes to our pricing architecture within certain channels including the recent price increases of certain of our products in our U.S. retail and foodservice channels, and the mix of products sold;
- the level of trade and promotional spending to support our products appropriately;
- the expenses associated with our sales force; our management of accounts receivable, inventory, accounts payable and other working capital accounts;
- the impact of foreign currency exchange fluctuations on our cash balances;
- the costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, any future approved products, if any.

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

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

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

Any changes in, or changes in the interpretation of, applicable laws, regulations or policies of the FDA or U.S. Department of Agriculture (the "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, Texas and Wyoming, have subsequently passed similar laws, and legislation that would impose specific requirements on the naming of plant-based meat products has been introduced, but not enacted, in other states. The United States Congress 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” on 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 (the “Contested Decree”) to define, for example, the sanctions in case of non-compliance with the new law, and the Contested Decree went into effect in 2022. We do not believe that the Contested Decree complied with the laws of the EU, in particular the principle of free movement of goods. In July 2022, at the request of a trade association, the French High Administrative Court partially suspended the execution of the Contested Decree. The Company filed an application for annulment against the Contested Decree and intervened in favor of the trade association in their pending case against the Contested Decree. Several plant-based companies filed voluntary intervention in support of the Company’s case on April 20, 2023. On July 12, 2023, the French High Administrative Court decided to refer the case to the Court of Justice of the European Union ("CJEU"). The CJEU is asked to decide on the lawfulness of the Contested Decree banning “meaty” names for plant-based protein under EU law. The procedure before the CJEU started on August 22, 2023, and the Company filed its submission on October 31, 2023. On January 15, 2024, the CJEU closed the written procedure. The period to request an oral hearing closed on February 5, 2024.

In parallel to the litigation before the CJEU against the Contested Decree, on August 23, 2023, France published a proposal for a new decree replacing the Contested Decree (“New Decree”). The New Decree has removed some of the Contested Decree’s most open-ended language, but essentially maintains the prohibition on meaty names for plant-based proteins. The New Decree was subject to administrative review procedure by the European Commission (the EU’s executive body) and the EU member states other than France. The six-months standstill period under that procedure ended on February 23, 2024. The Company supported plant-based protein trade associations against the New Decree. On February 26, 2024, the New Decree was adopted. However, on April 10, 2024, the French High Administrative Court decided once again to postpone the applicability of the New Decree. The interim relief judge noted that there were serious doubts as to whether such national measures could be adopted based on EU law, which had already prompted the ongoing CJEU litigation.

In this context, on March 1, 2024, the CJEU requested the French High Administrative Court to provide its view on the impact of the adoption of the New Decree on the litigation against the Contested Decree, and whether it should be declared moot or it should be allowed to proceed. On March 14, 2024, the French High Administrative Court responded to the CJEU's request for information asking it to rule in the current proceedings. On April 15, 2024, the CJEU decided that the litigation against the Contested Decree would proceed, and that an oral hearing was not necessary. The next step in the proceedings is the publication of the opinion of the Advocate General (the advisor to the judges), which is expected on September 5, 2024. Following the opinion, which is not binding on the court, the CJEU will issue its ruling. We expect the ruling of the CJEU approximately three to five months after the Advocate General's opinion.

The judgment of the CJEU will be determinative as to whether the Contested Decree's ban on meat names for plant-based foods was lawful, or not, under EU law. The judgment of the CJEU will set a precedent on the naming of plant-based foods for all other EU member states, which will significantly disrupt or facilitate the operations of the Company and the entire plant-based protein industry in France and across the EU.

France has been the first EU member state to adopt such a law, but others are following. On December 16, 2023, an Italian law prohibiting names to indicate foodstuffs of animal origin to describe, market or promote foodstuffs containing vegetable proteins ("Italian Law") entered into force. The Italian Law requires the Ministry of Agriculture to adopt a decree with the names that may not be used to describe plant-based products by February 16, 2024. However, on January 29, 2024, the European Commission issued a formal letter informing the Italian government that the Italian Law was adopted in violation of EU law, and is thus not applicable or enforceable. On February 28, 2024, the Italian Minister for Agriculture confirmed that the adoption of an implementing decree is currently suspended. We are not aware of any steps taken by the Italian government to adopt the implementing decree, nor have the authorities attempted to enforce the Italian Law.

Separately, on December 5, 2023, Poland published a draft decree banning the use of meaty names to designate plant-based products. We are not aware of any additional developments in the legislative process. In June 2024, a Polish association of breeders requested that the Ministry of Agriculture advance the decree and regulate the use of meaty names.

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.

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

From time to time, we may be party to various claims and litigation proceedings. We evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from our assessments and estimates. For information regarding pending legal proceedings, please see Part II Item 1, *Legal Proceedings,* and Note 9, *Commitments and Contingencies*, to the Notes to Unaudited Condensed Consolidated Financial Statements included elsewhere in this report.

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

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

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Rule 10b5-1 Trading Arrangements

During the fiscal quarter ended June 29, 2024, none of our directors or executive officers of the Company adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any “non-Rule 10b5-1 trading arrangement,” as such term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
3.1	Restated Certificate of Incorporation.	10-Q	6/12/2019	3.1	
3.2	Amended and Restated Bylaws.	8-K	2/13/2024	3.1	
4.1	Form of Common Stock Certificate.	S-1/A	3/27/2019	4.1	
4.2	Description of Registrant's Securities.	10-K	3/01/2023	4.3	
4.3	Indenture, dated as of March 5, 2021, between Beyond Meat, Inc. and U.S. Bank National Association, as trustee.	8-K	3/05/2021	4.1	
4.4	Form of certificate representing 0% Convertible Senior Notes due 2027 (included as Exhibit A in Exhibit 4.1 to the Form 8-K filed on March 5, 2021).	8-K	3/05/2021	4.1	
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2024 formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Stockholders' Deficit, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Unaudited Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEYOND MEAT, INC.

Date:	August 8, 2024	By:	/s/ Ethan Brown
			Ethan Brown President and Chief Executive Officer (Principal Executive Officer)
Date:	August 8, 2024	By:	/s/ Lubi Kutua
			Lubi Kutua Chief Financial Officer, Treasurer (Principal Financial Officer)

Exhibit 31.1

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

I, Ethan Brown, certify that:

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

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

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

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

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

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date: August 8, 2024

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

Exhibit 31.2

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

I, Lubi Kutua, certify that:

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

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

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

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

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

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

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

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

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

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

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

Date:	August 8, 2024	By:	/s/ Lubi Kutua
			Lubi Kutua
			Chief Financial Officer and Treasurer
			(Principal Financial Officer)

Exhibit 32.1

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

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

(1) the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended June 29, 2024 (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.

Date:	August 8, 2024	By:	/s/ Ethan Brown
			Ethan Brown
			President and Chief Executive Officer
			(Principal Executive Officer)

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

Exhibit 32.2

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

I, 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 Quarterly Report on Form 10-Q of the Company for the quarter ended June 29, 2024 (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.

Date: August 8, 2024

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.