

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

FORM 10-Q

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

For the quarterly period ended March 31, 2026

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 001-41275

BRC Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

87-3277812
(I.R.S. Employer Identification No.)

3131 W. 2210 S, Suite C
West Valley City, UT 84119
(Address of principal executive office, zip code)

(801) 874-1189
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
Class A Common Stock, \$0.0001 par value	BRCC	New York Stock Exchange

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

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

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

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

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

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

As of April 29, 2026, the registrant had (i) 117,004,009 shares of Class A common stock, par value \$0.0001 per share (the "Class A Common Stock") and, (ii) 132,498,284 shares of Class B common stock, par value \$0.0001 per share (the "Class B Common Stock") outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") includes statements that express the Company's opinions, expectations, hopes, beliefs, plans, intentions, objectives, strategies, assumptions or projections regarding future events or future results of operations or financial condition and therefore are, or may be deemed to be, "forward-looking statements." The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "will," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements appear in a number of places throughout this Quarterly Report and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, results of operations, the Company's financial condition, liquidity, prospects, growth, strategies, future market conditions or economic performance and developments in the capital and credit markets and expected future financial performance, the markets in which the Company operates as well as any information concerning possible or assumed future results of operations of the Company. Such forward-looking statements are based on information available as of the date of this Quarterly Report and management's expectations, beliefs and forecasts concerning future events impacting the Company. Factors that may cause such forward-looking statements to differ from actual results include, but are not limited to:

- Competition and our ability to grow, manage sustainable expansion, and retain key employees;
- Failure to compete effectively with other producers, distributors and retailers of coffee and energy drinks;
- Our limited operating history, which may hinder the successful execution of strategic initiatives and make it difficult to assess future risks and challenges;
- Challenges in managing rapid growth, inventory needs, and relationships with key business partners;
- Inability to raise additional capital necessary for business development;
- Failure to achieve or sustain long-term profitability;
- Inability to effectively manage debt obligations;
- Failure to maximize the value of assets received through bartering transactions;
- Negative publicity affecting our brand, reputation, or that of key employees;
- Failure to uphold our position as a supportive member of the military, Veteran and first-responder communities, or other factors negatively affecting brand perception;
- Inability to establish and maintain strong brand recognition through intellectual property or other means;
- Shifts in consumer spending, lack of interest in new products or changes in brand perception upon evolving consumer preferences and tastes, including due to shifts in demographic or health and wellness trends, reduction in discretionary spending and price increases, and our ability to anticipate or react to these changes;
- Price changes that are insufficient to offset cost increases;
- Unsuccessful marketing campaigns that incur costs without attracting new customers or realizing higher revenue;
- Failure to attract new customers or retain existing customers;
- Risks associated with reliance on social media platforms, including dependence on third-party platforms for marketing and engagement;
- Variable performance of the Direct-to-Consumer ("DTC") revenue channel;
- Inability to effectively manage or scale distribution through Wholesale business partners, particularly key Wholesale partners;
- Failure to manage supply chain operations effectively, including inaccurate forecasting of raw material and co-manufacturing requirements;
- Loss of one or more co-manufacturers or production delays, quality issues, or labor-related disruptions affecting manufacturing output;
- Supply chain disruptions or failures by third-party suppliers and logistics service-providers to deliver coffee, store supplies, ready-to-drink ("RTD") beverage ingredients, or merchandise, including disruptions caused by external factors;
- Ongoing risks related to supply chain volatility and reliability, including tariffs, political and climate risks;
- Fluctuations in the market for high-quality coffee beans and other key commodities;
- Unpredictable changes in the cost and availability of labor, raw materials, equipment, transportation, or shipping;

- Failure to successfully improve profitability of existing Outpost Retail Stores (“Outposts”), including challenges or delays with the implementation of operational and strategic changes;
- Risks related to long-term, non-cancelable lease obligations and other real estate-related concerns;
- Inability of franchise partners to successfully operate and manage their franchise locations;
- Failure to maintain high-quality customer experiences for retail partners and end users, including production defects or issues caused by co-manufacturers that negatively impact product quality and brand reputation;
- Failure to comply with food safety regulations or maintain product quality standards;
- Difficulties in successfully expanding into new markets;
- Failure to comply with federal, state, and local laws and regulations, or inability to prevail in civil litigation matters;
- Risks related to potential unionization of employees;
- Failure to execute our operational improvement plan (“Operational Improvement Plan”) to reduce costs and improve efficiency of certain company-wide functions;
- Failure to protect against cybersecurity threats, software vulnerabilities, or hardware security risks; and
- Other risks and uncertainties indicated in Part II. Item 1A. Risk Factors of this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission (the “SEC”) on March 2, 2026 (the “2025 Form 10-K”) including those set forth under “Item 1A. Risk Factors” included therein.

The forward-looking statements contained in this Quarterly Report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under “Item 1A. Risk Factors” in our 2025 Form 10-K and described under “Item 1A. Risk Factors” in Part II of this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

BRC Inc.

CONSOLIDATED BALANCE SHEETS
(in thousands, except share and par value amounts)

	March 31, 2026 (unaudited)	December 31, 2025 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,971	\$ 4,330
Accounts receivable, net	36,277	35,057
Inventories, net	50,807	49,703
Prepaid expenses and other current assets	14,663	11,235
Total current assets	111,718	100,325
Property, plant and equipment, net	41,298	42,855
Operating lease, right-of-use asset	20,691	21,205
Non-current prepaid marketing expenses	42,922	44,432
Identifiable intangibles, net	285	300
Other	126	126
Total assets	\$ 217,040	\$ 209,243
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 40,762	\$ 34,721
Accrued liabilities	33,567	32,455
Deferred revenue and gift card liability	3,285	4,033
Current maturities of long-term debt	2,000	2,400
Current operating lease liability	2,504	2,481
Current maturities of finance lease obligations	4	4
Total current liabilities	82,122	76,094
Non-current liabilities:		
Long-term debt, net	32,586	32,313
Finance lease obligations, net of current maturities	14	15
Operating lease liability	24,192	24,822
Other non-current liabilities	7,420	7,982
Total non-current liabilities	64,212	65,132
Total liabilities	146,334	141,226
Commitments and Contingencies (Note 9)		
Stockholders' equity:		
Preferred Stock, \$ 0.0001 par value, 1,000,000 shares authorized; no shares issued or outstanding as of both March 31, 2026 and December 31, 2025	—	—
Class A Common Stock, \$ 0.0001 par value, 2,500,000,000 shares authorized; 116,480,011 and 114,860,676 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	12	11
Class B Common Stock, \$ 0.0001 par value, 300,000,000 shares authorized; 132,645,046 and 133,694,869 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	13	13
Class C Common Stock, \$ 0.0001 par value, 1,500,000 shares authorized; no shares issued or outstanding as of both March 31, 2026 and December 31, 2025	—	—
Additional paid in capital	182,138	180,973
Accumulated deficit	(135,359)	(135,344)
Total BRC Inc.'s stockholders' equity	46,804	45,653
Non-controlling interests	23,902	22,364
Total stockholders' equity	70,706	68,017
Total liabilities and stockholders' equity	\$ 217,040	\$ 209,243

See accompanying notes to consolidated financial statements.

BRC Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Revenue, net	\$ 109,227	\$ 89,974
Cost of goods sold	73,139	57,502
Gross profit	36,088	32,472
Operating expenses		
Marketing and advertising	10,180	11,322
Salaries, wages and benefits	14,109	13,563
General and administrative	10,098	11,786
Other operating expense, net	382	1,233
Total operating expenses	34,769	37,904
Operating income (loss)	1,319	(5,432)
Non-operating expenses		
Interest expense, net	(1,240)	(2,370)
Total non-operating expenses	(1,240)	(2,370)
Income (loss) before income taxes	79	(7,802)
Income tax expense	33	44
Net income (loss)	46	(7,846)
Less: Net income (loss) attributable to non-controlling interest	61	(4,958)
Net loss attributable to BRC Inc.	\$ (15)	\$ (2,888)
Net loss per share attributable to Class A Common Stock		
Basic and diluted	\$ 0.00	\$ (0.04)
Weighted-average shares of Class A Common Stock outstanding		
Basic and diluted	115,397,311	78,411,354

See accompanying notes to consolidated financial statements.

BRC Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except for number of shares)
(unaudited)

	Shares			Class A Common Stock	Class B Common Stock	Class C Common Stock	Additional Paid-In Capital	Accumulated Deficit	Non- Controlling Interest	Total Stockholders' Equity
	Class A Common Stock	Class B Common Stock	Class C Common Stock							
Balance at January 1, 2026	114,860,676	133,694,869	—	\$ 11	\$ 13	—	\$ 180,973	\$ (135,344)	\$ 22,364	\$ 68,017
Equity-based compensation	—	—	—	—	—	—	1,020	—	1,714	2,734
Common Unit redemption	1,049,823	(1,049,823)	—	—	—	—	237	—	(237)	—
Employee stock purchase plan	82,787	—	—	—	—	—	59	—	—	59
Vesting of stock awards, net of shares withheld for taxes	486,725	—	—	1	—	—	(151)	—	—	(150)
Net income (loss)	—	—	—	—	—	—	—	(15)	61	46
Balance at March 31, 2026	116,480,011	132,645,046	—	\$ 12	\$ 13	—	\$ 182,138	\$ (135,359)	\$ 23,902	\$ 70,706

	Shares			Class A Common Stock	Class B Common Stock	Class C Common Stock	Additional Paid-In Capital	Accumulated Deficit	Non- Controlling Interest	Total Stockholders' Equity
	Class A Common Stock	Class B Common Stock	Class C Common Stock							
Balance at January 1, 2025	78,286,909	134,536,464	—	\$ 8	\$ 13	—	\$ 136,583	\$ (123,430)	\$ 36,322	\$ 49,496
Equity-based compensation	—	—	—	—	—	—	943	—	1,648	2,591
Employee stock purchase plan	100,626	—	—	—	—	—	194	—	—	194
Vesting of stock awards, net of shares withheld for taxes	222,149	—	—	—	—	—	(250)	—	—	(250)
Net loss	—	—	—	—	—	—	—	(2,888)	(4,958)	(7,846)
Balance at March 31, 2025	78,609,684	134,536,464	—	\$ 8	\$ 13	—	\$ 137,470	\$ (126,318)	\$ 33,012	\$ 44,185

See accompanying notes to consolidated financial statements.

BRC Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2026	2025
Operating activities		
Net income (loss)	\$ 46	\$ (7,846)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,162	2,576
Equity-based compensation	2,734	2,591
Amortization of debt issuance costs	273	266
Loss on disposal of assets	23	839
Paid-in-kind interest	—	1,234
Other	31	350
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,250)	6,586
Inventories, net	(1,064)	(7,851)
Prepaid expenses and other assets	(1,445)	(25)
Accounts payable	6,059	(4,401)
Accrued liabilities	1,112	2,511
Deferred revenue and gift card liability	(748)	(104)
Operating lease liability	(607)	(721)
Other liabilities	(562)	(146)
Net cash provided by (used in) operating activities	6,764	(4,141)
Investing activities		
Purchases of property, plant and equipment	(630)	(1,173)
Net cash used in investing activities	(630)	(1,173)
Financing activities		
Proceeds from ABL Facility	15,000	98,904
Debt issuance costs paid	—	(147)
Repayment of long-term debt	(15,000)	(96,162)
Financing lease obligations	(1)	17
Repayment of promissory note	(400)	(400)
Tax withholdings on vested Restricted Stock Units	(151)	—
Issuance of stock from the Employee Stock Purchase Plan	59	194
Net cash provided by (used in) financing activities	(493)	2,406
Net increase (decrease) in cash, cash equivalents	5,641	(2,908)
Cash and cash equivalents, beginning of period	4,330	6,810
Cash and cash equivalents, end of period	\$ 9,971	\$ 3,902

BRC Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(in thousands)
(unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Non-cash operating activities		
Recognition of revenue for inventory exchanged for prepaid advertising	\$ (40)	\$ —
Non-cash investing and financing activities		
Property and equipment purchased but not yet paid	\$ 15	\$ 22
Supplemental cash flow information		
Cash paid for income taxes	\$ —	\$ 72
Cash paid for interest	\$ 1,076	\$ 756

See accompanying notes to consolidated financial statements.

BRC Inc.

INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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BRC Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except unit/share and per unit/share amounts)
(unaudited)

1. Organization, Nature of Business, and General Information

Unless the context indicates otherwise, references to "the Company," "we," "us," and "our" refer to BRC Inc. and its consolidated subsidiaries.

The Company is a Delaware public benefit corporation that purchases, roasts, and sells high quality coffee, coffee accessories, energy drinks, and branded apparel through its online channels and business networks. The Company also develops and promotes online content for the purpose of growing its brands, which include Black Rifle Coffee Company ("BRCC").

Basis of Presentation

The Company has prepared the accompanying consolidated financial statements and accompanying notes in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information. The consolidated financial statements reflect the financial position and operating results of the Company. These financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair statement of the operating results for the interim periods presented. Intercompany transactions and balances have been eliminated in consolidation.

These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K filed with the SEC on March 2, 2026.

Consolidation

The Company consolidates its wholly-owned subsidiaries, as well as Authentic Brands, LLC ("Authentic Brands"), a subsidiary of which the Company owns 37.3% and 36.8% as of March 31, 2026 and December 31, 2025, respectively. The remaining ownership interests of Authentic Brands, held by holders other than the Company, are reflected as non-controlling interests in the Company's consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Segment Information

The Company reports operations as one reportable segment and manages the business as a single-brand consumer products business. This is supported by the operational structure, which includes sales, product design, operations, marketing, and administrative functions focused on the entire product suite, rather than individual product categories or sales channels. The Company's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer, who reviews discrete financial information on a consolidated basis and does not regularly review financial information for individual sales channels, product categories, or geographic regions that would allow decisions to be made about allocation of resources or performance. The information reviewed by the CODM is consistent with the presentation on the consolidated statements of operations.

Fair Value Measurements

The Company's financial instruments consist primarily of accounts receivable, accounts payable and long-term debt. The carrying amounts of accounts receivable and accounts payable are representative of their respective fair values due to the short-term maturity of these instruments. The fair value of variable rate long-term debt is based upon the current market rates for debt with similar credit risk and maturity, which approximated its carrying value, as interest is based upon the Secured Overnight Financing Rate ("SOFR"), or the PNC Base Rate (see further explanation of the Base Rate in [Note 2, Long-Term Debt](#)), plus an applicable floating margin. In measuring fair value, the Company reflects the impact of credit risk on liabilities, as well as any collateral. The Company also considers the credit standing of counterparties in measuring the fair value of assets.

The Company uses any of three valuation techniques to measure fair value: the market approach, the income approach, and the cost approach in determining the appropriate valuation technique based on the nature of the asset or liability being measured and the reliability of the inputs used in arriving at fair value.

The Company follows the provisions of Accounting Standards Update ("ASU") No. 2022-03-*Fair Value Measurements* ("Topic 820") for non-financial assets and liabilities measured on a non-recurring basis.

The inputs used in applying valuation techniques include assumptions that market participants would use in pricing the asset or liability (i.e., assumptions about risk). Inputs may be observable or unobservable. The Company uses observable inputs in the Company's valuation techniques and classifies those inputs in accordance with the fair value hierarchy established by applicable accounting guidance, which prioritizes those inputs. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels are defined as follows:

Level 1 — inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 — inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 — inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. As of March 31, 2026, the Company had no Level 3 financial assets or liabilities.

Comprehensive Income (Loss)

The Company has no components of comprehensive income and comprehensive income (loss) is equivalent to net income (loss) in each of the periods presented. As such, no statement of comprehensive income (loss) is presented.

2. Long-Term Debt

The Company's credit facilities and related balances were as follows (*dollars in thousands*):

	March 31, 2026 <u>(unaudited)</u>	December 31, 2025 <u>(audited)</u>
Term Loan Facility	\$ 35,930	\$ 36,680
ABL Facility	2,750	2,000
Notes payable	—	400
Total principal	38,680	39,080
Less: debt issuance costs and original issue discount	(4,094)	(4,367)
Total debt, net	34,586	34,713
Less: current maturities of long-term debt	2,000	2,400
Long-term debt, net	<u>\$ 32,586</u>	<u>\$ 32,313</u>

Future contractual maturities of credit facilities (not including debt issuance costs) as of March 31, 2026 are as follows (*dollars in thousands, unaudited*):

Remainder of 2026	\$ 1,500
2027	2,000
2028	2,000
2029	33,180
2030	—
Total	<u>\$ 38,680</u>

ABL Facility and Term Loan Facility

On August 10, 2023, Authentic Brands and certain of its subsidiaries (collectively, the “ABL Borrowers”) entered into a Credit Agreement (as amended in accordance with its terms, the “ABL Credit Agreement”) with PNC Bank, National Association, as administrative agent and collateral agent (“PNC”), and the lenders from time to time party thereto, pursuant to which the lenders thereunder agreed to provide the ABL Borrowers with a senior secured asset-based revolving credit facility in an aggregate principal amount of up to \$75,000 (including a sub-facility for letters of credit in an amount up to \$7,500, all of which was available at March 31, 2026) (the “ABL Facility”).

On December 27, 2024 (the “Closing Date”), the ABL Borrowers entered into a third amendment to the ABL Credit Agreement, and a Financing Agreement (as further amended in accordance with its terms, the “Term Loan Financing Agreement” and together with the ABL Credit Agreement, the “Credit Agreements”), by and among Authentic Brands, certain subsidiaries of Authentic Brands party thereto as “Borrowers” (the “Term Loan Borrowers”), and certain subsidiaries of Authentic Brands from time to time party thereto as “Guarantors” (collectively with Authentic Brands, the “Term Loan Guarantors”), Blue Torch Finance LLC, as administrative agent and collateral agent, pursuant to which the lenders thereunder provided the Term Loan Borrowers with senior secured term loans on the Closing Date in an aggregate principal amount of \$40,000 (the “Term Loan Facility”). The Term Loan Facility also includes an uncommitted accordion feature pursuant to which, under certain conditions, including a maximum pro forma total net leverage ratio, the Term Loan Borrowers may, with the agreement of the lenders providing any such incremental loans, add one or more tranches of additional term loans in an aggregate principal amount not to exceed \$20,000. The proceeds of the Term Loan Facility were issued net of a \$1,000 discount which was recorded against the outstanding amount of debt on our consolidated balance sheet and will be amortized over the life of the Term Loan Financing Agreement.

The obligations under the ABL Credit Agreement are guaranteed by each ABL Borrower and each Guarantor (as defined therein). The obligations under the ABL Credit Agreement are secured by a first priority lien on certain deposit accounts, cash and cash equivalents, accounts receivable, inventory and other related assets of the ABL Borrowers and the Guarantors (the "ABL Priority Collateral") and a second priority lien on substantially all of the other assets of the ABL Borrowers and the Guarantors. The obligations under the Term Loan Financing Agreement are secured by a second priority lien on the ABL Priority Collateral and a first priority lien on substantially all of the other assets of the Term Loan Borrowers and the Term Loan Guarantors.

Each Credit Agreement includes certain conditions to borrowings, representations and warranties, affirmative and negative covenants, and events of default customary for financings of their type and size. Each Credit Agreement requires the Term Loan Borrowers and the ABL Borrowers to maintain (i) a maximum total net leverage ratio (4.00 to 1.00 for the fiscal quarter ended March 31, 2025 and at the end of each fiscal quarter thereafter through and including fiscal quarter ended September 30, 2025; 3.50 to 1.00 for the fiscal quarter ended December 31, 2025 and at the end of each fiscal quarter thereafter through and including fiscal quarter ended September 30, 2026; and 3.00 to 1.00 for the fiscal quarter ended December 31, 2026 and the end of each fiscal quarter thereafter); (ii) a fixed charge coverage ratio greater than or equal to 1.10 to 1.00; and (iii) minimum liquidity of at least \$7,500. The Credit Agreements also limit the ABL Borrowers and the Term Loan Borrowers' ability to, among other things, incur additional indebtedness, create liens on any assets, pay dividends or make certain restricted payments, make certain investments, consummate certain asset sales, make certain payments on indebtedness, and merge, consolidate or engage in other fundamental changes.

Under the terms of the ABL Credit Agreement, the amount available for advances is subject to a borrowing base, which is calculated by reference to the value of certain eligible inventory, unrestricted cash and cash equivalents, eligible credit card receivables, eligible accounts receivable and eligible inventory, offset by certain reserves. The available borrowings under the ABL Credit Facility at March 31, 2026 was \$52,484.

Borrowings under the ABL Facility bear interest at a rate per annum of either (i) the Alternate Base Rate (as defined in the ABL Credit Agreement) plus a margin ranging from 0.50% to 1.50% or (ii) term SOFR (as defined in the ABL Credit Agreement) plus a margin ranging from 1.50% to 2.50%. The ABL Borrowers are also required to pay certain fees in connection with the ABL Credit Agreement, including an unused commitment fee based on the average daily unused portion of the ABL Facility, equal to 0.375% on an annual basis. The ABL Credit Facility is scheduled to mature on December 27, 2029.

Borrowings under the Term Loan Facility bear interest at a rate per annum equal to either (i) a Reference Rate (as defined in the Term Loan Financing Agreement) plus a margin ranging from 5.00% to 5.50% based on a total net leverage ratio threshold or (ii) term SOFR (as defined in the Term Loan Financing Agreement) plus a margin ranging from 6.00% to 6.50% based on a total net leverage ratio threshold. The Reference Rate and term SOFR rate are subject to floors of 3.50% and 2.50%, respectively. The Term Loan Facility requires the Term Loan Borrowers to make quarterly principal repayments in an aggregate principal amount equal to (i) 0.625% of the original aggregate principal amount of the Term Loan commencing with the fiscal quarter ending on March 31, 2025 through the first anniversary of the Closing Date, (ii) 1.25% of the original aggregate principal amount of the term loans extended thereunder commencing with the fiscal quarter ending after the first anniversary of the Closing Date through the maturity date of the Term Loan Facility. The Term Loan Facility is also subject to customary mandatory prepayment provisions, including payments of proceeds from asset dispositions, casualty events, extraordinary receipts and a percentage of excess cash flow. The Term Loan Borrowers may voluntarily prepay amounts outstanding under the Term Loan Facility at any time, subject in certain cases to a prepayment premium. The Term Loan Facility is scheduled to mature on December 27, 2029.

Note Payable

In January 2022, the Company entered into a note payable agreement for \$1,599 at an interest rate of 1.30% per annum to repurchase Incentive Units from a former employee. The final payment of \$400 was made towards this note payable agreement in the first quarter of 2026.

3. Supplemental Balance Sheet Information

Accounts Receivable, Net

Allowances

The allowance for sales returns and charge backs was \$575 and \$756 as of March 31, 2026 and December 31, 2025, respectively, and included in "Accounts receivable, net" on the consolidated balance sheets.

The allowance for credit losses was \$67 and \$350 as of March 31, 2026 and December 31, 2025, respectively.

Concentrations of Credit Risk

The Company's assets that are potentially subject to concentrations of credit risk are cash and accounts receivable. Cash balances are maintained in financial institutions which at times exceed federally insured limits. The Company monitors the financial condition of the financial institutions in which its accounts are maintained and has not experienced any losses in such accounts. The accounts receivable of the Company are spread over a number of customers, of which six customers accounted for 63% of total outstanding receivables as of March 31, 2026, and four customers accounted for 52% of total outstanding receivables as of December 31, 2025. The Company performs ongoing credit evaluations as to the financial condition of its customers and creditors with respect to trade accounts.

Inventories, Net

Inventories, net, consists of the following (*dollars in thousands*):

	March 31, 2026	December 31, 2025
	<u>(unaudited)</u>	<u>(audited)</u>
Coffee and Energy:		
Unroasted	\$ 3,261	\$ 3,519
Finished Goods	23,501	20,144
Ready-to-Drink (raw materials)	1,572	3,935
Ready-to-Drink (finished goods)	19,255	17,943
Apparel and other merchandise	3,218	4,162
Total inventories, net	<u>\$ 50,807</u>	<u>\$ 49,703</u>

The reserve for excess and obsolete inventory was \$5,524 and \$2,899 as of March 31, 2026 and December 31, 2025, respectively.

Other Assets

As of March 31, 2026 and December 31, 2025, the Company reported \$48,802 and \$50,312 of other assets on the consolidated balance sheets, respectively, related to prepaid advertising credits received in exchange for finished goods and apparel inventory. The Company measured the non-cash consideration of the prepaid advertising credits based on the standalone selling price of the finished goods inventory at the time of transfer to the counterparty. Based upon the period over which the Company expects to use these advertising credits, \$5,880 of these credits were current as of both March 31, 2026 and December 31, 2025, and have been recorded as "Prepaid expenses and other current assets" on the consolidated balance sheets, and \$42,922 and \$44,432 were non-current as of March 31, 2026 and December 31, 2025, respectively, and have been recorded as "Non-current prepaid marketing expenses" on the consolidated balance sheets.

Prepaid advertising credits are recorded upon revenue recognition, coinciding with the transfer of the finished goods inventory. The revenue recognized for both the three months ended March 31, 2026 and 2025 on the consolidated statements of operations related to shipments of inventory was insignificant. \$1,470 and \$916 of prepaid advertising credits were utilized for the three months ended March 31, 2026 and 2025, respectively.

Property, Plant and Equipment, Net

Property, plant and equipment, net consists of the following (*dollars in thousands*):

	March 31, 2026	December 31, 2025
	<u>(unaudited)</u>	<u>(audited)</u>
Building and leasehold improvements	\$ 24,216	\$ 24,216
Machinery and equipment	19,821	19,694
Computer equipment and software	20,008	19,927
Furniture and fixtures	2,887	2,887
Land	110	110
Vehicles	809	809
Construction in progress	8,965	8,584
Property, plant, and equipment, gross	76,816	76,227
Less: accumulated depreciation and amortization	(35,518)	(33,372)
Total property, plant and equipment, net	<u>\$ 41,298</u>	<u>\$ 42,855</u>

The total depreciation expense for internal use software was \$986 and \$1,334 for the three months ended March 31, 2026 and 2025, respectively.

Accrued Liabilities

Accrued liabilities consists of the following (*dollars in thousands*):

	March 31, 2026	December 31, 2025
	<u>(unaudited)</u>	<u>(audited)</u>
Accrued compensation and benefits	\$ 7,959	\$ 5,919
Accrued trade	4,005	2,587
Accrued inventory purchases	3,286	843
Accrued freight	2,161	4,333
Accrued software contracts	2,081	4,024
Accrued professional fees	2,809	2,761
Deferred purchase incentive	2,506	2,506
Accrued marketing	1,898	2,330
Accrued donations	1,659	1,709
Accrued sales and other taxes	1,119	1,137
Other accrued expenses	4,084	4,306
Total accrued liabilities	<u>\$ 33,567</u>	<u>\$ 32,455</u>

Deferred purchase incentive

This purchase incentive was received in conjunction with a co-manufacturing agreement and will be recognized as a reduction of cost of sales based on units sold through 2029. \$2,506 of the deferred purchase incentive is classified as current at March 31, 2026 based upon the amount expected to be recognized in the next twelve months, while \$7,073 is classified as long-term and is recorded in "Other non-current liabilities" on our consolidated balance sheets at March 31, 2026.

Deferred Revenue and Gift Card Liability

The following table provides information about deferred revenue, gift cards, and the BRCC Loyalty Points rewards program (the "Loyalty Program"), including significant changes in deferred revenue balances for the below designated periods (*dollars in thousands, unaudited*):

	Three Months Ended March 31,	
	2026	2025
Balance at beginning of period	\$ 4,033	\$ 3,918
Sales of gift cards	128	325
Redemption of gift cards	(153)	(395)
Increase from deferral of revenue	1,870	1,760
Decrease from revenue recognition	(2,521)	(1,784)
Loyalty Program points earned	279	317
Loyalty Program points redeemed/expired	(351)	(327)
Balance at end of period	<u>\$ 3,285</u>	<u>\$ 3,814</u>

4. Revenue, Net

The Company disaggregates revenue by sales channel. The Wholesale channel includes product revenue sold to an intermediary and not directly to the consumer. The DTC channel principally comprises revenue from our e-commerce websites and subscription services directly to the consumer. The Outpost channel includes revenue from Company-operated stores, gift cards, franchise stores and licensing.

The following table disaggregates revenue by sales channel (*dollars in thousands, unaudited*):

	Three Months Ended March 31,	
	2026	2025
Wholesale	\$ 74,702	\$ 56,791
DTC	29,720	27,720
Outpost	4,805	5,463
Total net sales	<u>\$ 109,227</u>	<u>\$ 89,974</u>

Substantially all revenue is derived from customers located in the United States. One wholesale customer and its affiliate represented 33% of revenue for both the three months ended March 31, 2026 and 2025.

5. Equity-Based Compensation

Incentive Units

The following table summarizes the changes in the number of Incentive Units for the three months ended March 31, 2026 and 2025:

	Incentive Units	Weighted Average Grant Date Fair Value
Granted and outstanding at January 1, 2026	8,472	\$ 213.79
Granted	—	—
Forfeited	—	—
Granted and outstanding at March 31, 2026	8,472	\$ 213.79
Vested at March 31, 2026	8,472	\$ 213.79
Granted and outstanding at January 1, 2025	8,472	\$ 213.79
Granted	—	—
Forfeited	—	—
Granted and outstanding at March 31, 2025	8,472	\$ 213.79
Vested at March 31, 2025	7,745	\$ 213.64

As of March 31, 2026, the equity compensation expense related to nonvested Incentive Units was fully recognized. For the three months ended March 31, 2025, the unrecognized equity compensation expense related to nonvested Incentive Units to be recognized was \$83, over a weighted average period of approximately one year.

Stock Options

The following table summarizes information about stock options activities for the three months ended March 31, 2026 and 2025:

	Stock Options	Weighted Average Exercise Price
Outstanding at January 1, 2026	8,684,387	\$ 2.82
Forfeited	(132,450)	3.25
Outstanding at March 31, 2026	8,551,937	\$ 2.81
Vested and exercisable at March 31, 2026	1,380,986	\$ 2.75
Outstanding at January 1, 2025	5,424,411	\$ 4.41
Granted	3,752,998	2.16
Forfeited	(311,245)	3.87
Outstanding at March 31, 2025	8,866,164	\$ 3.47
Vested and exercisable at March 31, 2025	752,646	\$ 4.15

The total unrecognized equity compensation expense related to stock options to be recognized was \$,107 and \$10,667, respectively, over a weighted average period of approximately one year and two years, for the three months ended March 31, 2026 and 2025, respectively.

Restricted Stock Units

The following table summarizes information about the restricted stock units ("RSU"s) under the 2022 Omnibus Incentive Plan (the "Omnibus Plan)" for the three months ended March 31, 2026 and 2025:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Granted and outstanding at January 1, 2026	4,629,764	\$ 2.23
Granted	4,213,039	0.78
Forfeited	(341,289)	1.70
Vested	(691,386)	2.64
Nonvested at March 31, 2026	7,810,128	\$ 1.43
Granted and outstanding at January 1, 2025	2,232,952	\$ 4.51
Granted	1,918,394	2.15
Forfeited	(131,652)	4.01
Vested	(319,081)	4.05
Nonvested at March 31, 2025	3,700,613	\$ 3.35

The total unrecognized equity compensation expense related to RSUs to be recognized was \$,772 and \$9,372, respectively, over a weighted average period of approximately two years, for both the three months ended March 31, 2026 and 2025.

Performance-Based Restricted Stock Units

In addition to the performance-based restricted stock units ("PSU"s) granted to a key employee in 2022, in the first quarter of 2026, the Company granted PSUs to employees under the Omnibus Plan. These grants vest three years from the grant date, to the extent that the performance metric is achieved during the predetermined performance period. The performance metric utilized for these grants is based on the Company's total shareholder return, as defined in the respective grant agreement. The payout percentage for these PSUs granted ranges from 0% to 200%, and each PSU is equal to one share of the Company's Class A Common Stock.

The grant date estimated fair value of the PSUs is based upon a Monte Carlo Simulation as of the grant date, utilizing the following assumptions at the grant date:

Expected dividend	\$—
Expected volatility	73.77%
Risk-free interest rate	3.49%
Award term	3 years
Valuation date share price	\$0.78

The following table summarizes information about all PSUs under the Omnibus Plan for the three months ended March 31, 2026:

	PSUs	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2026	—	\$ —
Granted	2,061,856	1.22
Forfeited	(113,402)	1.22
Outstanding at March 31, 2026	1,948,454	\$ 1.22

Additionally, there were 8,462,412 PSUs outstanding related to the key employee grant as of both March 31, 2026 and 2025, with a weighted average grant date fair value of \$0.46. The total unrecognized equity-based compensation expense related to all PSUs to be recognized was \$,090 and \$777, respectively, over a weighted average period of approximately two years, for both the three months ended March 31, 2026 and 2025.

Employee Stock Purchase Plan

On March 8, 2026, the Company issued 82,787 shares for a total of \$55 during the six-month offering period from September 9, 2025 through March 8, 2026.

6. Defined Contribution Plan

The Company maintains a voluntary qualified defined contribution plan covering eligible employees as defined by the plan documents. Participating employees may elect to defer and contribute a portion of their eligible compensation to the plan up to limits stated in the plan documents, not to exceed the dollar amounts set by applicable laws. The Company's matching contributions to the plan were \$208 and \$211 for the three months ended March 31, 2026 and 2025, respectively.

7. Income Taxes

BRC Inc. is the managing member of Authentic Brands and, as a result, consolidates the financial results of Authentic Brands. Authentic Brands and its subsidiaries are limited liability companies and have elected to be taxed as partnerships for income tax purposes except for a subsidiary, Free Range American Media Company, which is taxed as a corporation. The Company files income tax returns in the U.S. federal and various state jurisdictions. Any taxable income or loss generated by Authentic Brands is passed through to and included in the taxable income or loss of its members, including BRC Inc., generally on a pro rata basis or otherwise under the terms of the Third Amended and Restated Limited Liability Company Operating Agreement of Authentic Brands. The Company is subject to U.S. federal income taxes, in addition to state and local income taxes with respect to its allocable share of any taxable income or loss of Authentic Brands, as well as any stand-alone income or loss generated by BRC Inc.

The Company's U.S. federal and state income tax returns for the tax years 2021 and beyond remain subject to examination by the Internal Revenue Service. With respect to state and local jurisdictions, the Company and its subsidiaries are typically subject to examination for several years after the income tax returns have been filed. The Internal Revenue Service completed its examination of Authentic Brands' 2021 U.S. federal partnership return during the current year and the audit resulted in no changes in the reported amounts. Accordingly, no adjustments were required to the Company's previously recorded tax positions, and there were no material impacts to the Company's consolidated financial statements. The Company's income tax expense may vary from the expense that would be expected based on statutory rates due principally to its organizational structure and recognition of valuation allowances against deferred tax assets.

The Company's effective tax rate for the period ended March 31, 2026 differs from the U.S. federal statutory rate primarily due to changes in the valuation allowance and non-controlling interest. There have been no material changes to the Company's income tax positions since December 31, 2025.

Based primarily on the Company's limited operating history and Authentic Brands' historical losses, the Company believes there is a significant uncertainty as to when the Company will be able to use its deferred tax assets ("DTA"s). Therefore, the Company has recorded a valuation allowance against the DTAs for which the Company has concluded it is more likely than not that they will not be realized.

8. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share *(in thousands, except unit/share and per unit/share amounts, unaudited)*:

	Three Months Ended March 31,	
	2026	2025
<i>Numerator:</i>		
Net income (loss)	\$ 46	\$ (7,846)
Less: Net income (loss) attributable to non-controlling interest	61	(4,958)
Net loss attributable to Class A Common Stock - basic and diluted	<u>\$ (15)</u>	<u>\$ (2,888)</u>
<i>Denominator:</i>		
Weighted-average shares of Class A Common Stock outstanding	115,397,311	78,411,354
Net income (loss) per share attributable to Class A common stockholders, basic and diluted	\$ 0.00	\$ (0.04)

The Company excluded the following potentially dilutive securities, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to Class A Common Shareholders because including them would have had an antidilutive effect:

	Three Months Ended March 31,	
	2026	2025
Stock Options	8,551,937	8,866,164
Common Units	132,645,046	134,536,464
RSUs	7,810,128	3,700,613
PSUs	10,410,866	8,462,412
Incentive Units (Share Equivalents)	1,221,857	1,221,857
Employee Stock Purchase Plan	121,649	114,868
Total units excluded from computation of diluted net loss per share	<u>160,761,483</u>	<u>156,902,378</u>

9. Commitments and Contingencies

Purchase Agreements

The Company has entered into manufacturing and purchase agreements to purchase and produce coffee product from third-party suppliers. These purchase agreements are typically obligations to purchase minimum volumes with fixed pricing if the volume terms are not fulfilled, in the form of a take-or-pay provision. The aggregate value of purchases from these third-party suppliers totaled \$10,823 and \$15,164 for the three months ended March 31, 2026 and 2025, respectively.

The amounts in the table below represents the Company's future minimum purchase commitments as of March 31, 2026 (*dollars in thousands, unaudited*):

Remainder of 2026	\$	26,542
2027		32,427
2028		15,141
2029		14,934
2030		—
Total	\$	<u>89,044</u>

Contingencies

The Company is the subject of various legal actions in the ordinary course of business. These actions typically seek, among other things, compensation for alleged personal injury, breach of contract, property damage, punitive damages, civil penalties or other losses, or injunctive or declaratory relief. With respect to such lawsuits, the Company accrues reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. Although the outcomes of these proceedings cannot be predicted with certainty, the Company does not believe any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on results of operations, cash flows or financial condition.

The Company could be subject to additional sales tax or other tax liabilities. The Company follows the guidelines of Accounting Standards Codification ("ASC") 450, *Accounting for Contingencies*, and the consolidated financial statements reflect the current impact of such legislation through the Company's best estimates. However, any of these events could have a material effect on the Company's business and operating results depending on the previous periods of applied enforcement by certain jurisdictions.

The Company is also subject to U.S. (federal and state) laws, regulations, and administrative practices that require us to collect information from its customers, vendors, merchants, and other third parties for tax reporting purposes and report such information to various government agencies. The scope of such requirements continues to expand, requiring us to develop and implement new compliance systems. Failure to comply with such laws and regulations could result in significant penalties and interest which might have an adverse effect on the Company's business and operating results.

Legal Disputes

On June 22, 2023, John Brian Clark, JBC Structured Products LLC, and Marathon Capital LLC (collectively, "Clark") filed a complaint against BRC Inc. and Black Rifle Coffee Company LLC: John Brian Clark, et al. v. BRC Inc., et al., Case 1:23-CV-5340 (RWL) (Southern District of New York). Clark alleged breach of contract and sought a declaratory judgment. The complaint alleged that Clark suffered damages arising from the Company's refusal to allow Clark to exercise warrants. On December 24, 2025 the Company and Clark agreed to settle all claims relating to the lawsuit, a portion of which was paid in December 2025, and a portion of which will be paid by the end of the second quarter of 2026.

On May 20, 2024, one of our co-manufacturers filed a complaint in the district court of Riley County, Kansas against one of the Company's wholly-owned subsidiaries, Black Rifle Coffee Company LLC, Case RL-2024-CV-000119. The complaint alleges breach of contract and anticipatory breach of contract with respect to certain fees and order volume pursuant to the parties' drink manufacturing agreement, amongst other allegations. On July 18, 2024, the Company filed a partial motion to dismiss relating to certain of these allegations. On November 13, 2024, the court denied the Company's motion to dismiss other than for the co-manufacturer's claim of fraudulent inducement, for which the court has granted leave to amend. The parties are currently engaged in discovery. The Company believes that it has meritorious defenses to the claims asserted against it and will defend itself in these proceedings. The Company has recorded accrued liabilities of \$2,700 related to this matter, which does not include interest or penalties.

10. Operational Improvement Plan

Beginning in the second quarter of fiscal year 2025, management implemented an Operational Improvement Plan to reduce costs and improve the efficiency of certain company-wide functions. These costs pertained primarily to workforce reductions. In the third quarter of 2025, the Operational Improvement Plan was modified as a result of the relocation of our corporate headquarters, as well as the relocation of our inventory resulting from a change in third party logistics providers. The actions for this plan were substantially complete by the end of the first quarter of 2026.

Headcount was reduced by approximately 68 employees across the Company as part of the Operational Improvement Plan. No liabilities were excluded due to the inability to estimate fair value. Accrued severance costs are expected to be paid by the end of the fourth quarter of fiscal year 2026 and are included in "Salaries, wages, and benefits" in our consolidated statement of operations.

Transition costs incurred relate to the relocation of our corporate headquarters, as well as the relocation of our inventory during the third and fourth quarters of 2025, and are reported as "Cost of goods sold" and "General and administrative", respectively, in our consolidated statements of operations.

As of March 31, 2026, accrued restructuring costs related to the 2025 Operational Improvement Plan, consist of the following *(dollars in thousands, unaudited)*:

	Reduction in Workforce	Transition Costs	Total Restructuring Costs
Balance as of January 1, 2026	\$ 751	\$ 489	1,240
Costs incurred	148	883	1,031
Costs paid or settled	(380)	(1,114)	(1,494)
Balance as of March 31, 2026	\$ 519	\$ 258	777

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and notes included in Item 1 of Part I of this Quarterly Report on Form 10-Q and the annual audited consolidated financial statements, notes, and Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), contained in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K"). In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties, and assumptions that could cause the Company's actual results to differ materially from management's expectations. When used in this report, the terms "we," "us," "our," "BRCC," "Black Rifle Coffee," "Black Rifle Coffee Company," and the "Company" mean BRC Inc. and its consolidated subsidiaries, collectively, unless the context requires otherwise.

Overview

Black Rifle Coffee Company is a Veteran-founded and led premium coffee, and energy drink company operating through one reportable segment composed of three primary channels: Wholesale, DTC, and Outposts. We leverage in-house media and content creation to support brand awareness, customer engagement, and community building. Founded in 2014 by U.S. Army Veteran Evan Hafer, Black Rifle Coffee began with a one-pound coffee roaster in a garage, where Mr. Hafer personally roasted, packaged, and shipped coffee directly to consumers. Today, we have grown into a widely recognized and nationally distributed brand steadfast in its commitment to supporting active-duty military, Veterans, first responders, and all who love America.

Trends

Certain trends affecting our business within the respective sales channels are as follows:

- Wholesale channel revenue continues to increase as we add new customers and expand our shelf presence in the Food, Drug, and Mass ("FDM") market. We expect continued revenue growth in this channel as we invest to increase brand awareness, efficient promotional activity at-shelf, new product launches, and expanded distribution in the FDM market.
- DTC channel revenue has grown as we continue to optimize customer acquisition, enhance retention, and provide our customers with a personalized and engaging shopping experience through targeted content and tailored product offerings on our website. Additionally, we are increasing our investment in major third-party ecommerce marketplaces in response to changing consumer purchasing behavior.
- Outpost channel revenue is stabilizing as we focus on improving transaction volumes and average order values through customer retention programs and tailored product offerings. In 2026, we expect consistent performance in this channel as we reallocate investments to other channels while seeking to improve profitability through operational and strategic changes, which may include the closure of underperforming Outposts.

Recent Developments

Operational Improvement Plan

During the second quarter of 2025, management implemented the Operational Improvement Plan to reduce costs and improve the efficiency of certain company-wide functions. This plan was extended in the third quarter of 2025 as a result of the relocation of our corporate headquarters and a change in our third-party logistics provider. The cost of this plan was approximately \$6.6 million consisting of severance and transition costs, substantially all of which have been incurred as of March 31, 2026. We estimate that the costs savings as a result of this plan will exceed \$11.4 million on an annualized run rate basis. As of March 31, 2026, we have realized approximately \$8.4 million of these savings.

Key Factors Affecting Our Performance

Our Ability to Increase Brand Awareness

Maintaining and growing brand awareness and loyalty is critical to our success. We believe we have developed an effective marketing strategy that enhances brand awareness and drives consumer engagement, leading to conversion and repeat purchases. Consumer appreciation of our brand, enhanced by our mission to give back to the veteran and first responder communities, is primarily reflected in our sales across our three channels. We intend to continue to refine and develop our brand strategy utilizing reach-based formats such as streaming advertising and other select marketing channels. In addition, we will leverage our social media presence and employ targeted digital advertising to expand the reach of our brand.

Our Ability to Grow Our Customer Base in Our Wholesale Channel

We continue to expand our customer base through our Wholesale channel, with our products now available in a growing number of physical retail locations. Wholesale customers include large national retailers, regional retailers, distributors, and dealers, reflecting increased market presence and distribution reach.

Our Ability to Acquire and Retain Customers at a Reasonable Cost

We believe that consistently acquiring and retaining customers at a reasonable cost will be a key driver of our future performance. We continue to build brand awareness and reach new consumers by investing in existing and new channels and markets. Our capabilities in digital marketing and consumer engagement provide a competitive advantage in attracting, converting, and retaining our consumers. We remain focused on measuring and optimizing marketing performance to ensure that our advertising spend is efficient, while managing customer acquisition costs and maximizing returns on marketing investments.

Our Ability to Drive Repeat Purchases of Our Products

We gain substantial economic value from repeat users of our products who consistently re-order our products. The pace of our growth rate may be affected by the repeat purchase behavior among our existing and newly acquired customers.

Our Ability to Expand Our Product Line

Our goal is to continue to expand our product line over time to increase our growth opportunities and reduce product-specific risks through diversification into multiple products intended for regular consumer use. Our pace of growth will be partially affected by the timing and scale of new product launches. We believe that it is important to our business to continue to innovate with new products and flavors.

Our Ability to Manage Our Supply Chain

Our ability to grow and meet future demand will be affected by our ability to properly plan for and source inventory from a variety of suppliers and co-manufacturers located inside and outside the United States. The majority of our green coffee beans come from Colombia, Brazil, and Nicaragua, and since 2020, we have also sourced green coffee beans from more than ten additional countries in Latin America, Africa, and Asia to diversify our supply chain and offer our customers specialty and limited-time-only roasts. Quality control is a critical component of our manufacturing and supply chain operations. All of our bagged coffee is roasted in the United States. Our licensed, Coffee Quality Institute-certified grader and former Green Beret, oversees cupping, grading, scoring, and sourcing of our coffees. We also must effectively manage our co-manufacturers and suppliers.

Components of Our Results of Operations

Revenue, net

We sell our products both directly and indirectly to our customers through a broad set of physical and online platforms. Our revenue, net reflects the impact of product returns as well as discounts and fees for certain sales programs, trade spend, promotions, and loyalty rewards.

Cost of goods sold

Cost of goods sold primarily includes raw material costs, labor costs directly related to producing our products including wages and benefits, shipping costs, and other overhead costs related to certain aspects of production, warehousing, fulfillment, shipping, and credit card fees.

Operating expenses

Operating expenses consist of marketing and advertising expenses related to brand marketing campaigns through various online platforms, including email, digital, website, social media, search engine optimization, as well as performance marketing efforts including retargeting, paid search and product advertisements, as well as social media advertisements and sponsorships. Operating expenses also consist of salaries, wages, and benefits and payroll related expenses for labor not directly related to producing our products. Payroll expenses include both fixed and variable compensation. Variable compensation includes bonuses and equity-based compensation. General and administrative costs include other professional fees and services, and general corporate infrastructure expenses, including utilities and depreciation and amortization.

Interest expense

Interest expense consists of interest on our borrowing arrangements, the amortization of debt discounts, and deferred financing costs.

Results of Operations

This discussion and analysis pertains to comparisons of material changes on the consolidated financial statements for three months ended March 31, 2026 and 2025. The following table represents the selected results of operations for BRC Inc. for the periods indicated (*dollars in thousands, unaudited*):

	Three Months Ended March 31,	
	2026	2025
Revenue, net	\$ 109,227	\$ 89,974
Cost of goods sold	73,139	57,502
Gross profit	36,088	32,472
Operating expenses		
Marketing and advertising	10,180	11,322
Salaries, wages and benefits	14,109	13,563
General and administrative	10,098	11,786
Other operating expense, net	382	1,233
Total operating expenses	34,769	37,904
Operating income (loss)	1,319	(5,432)
Non-operating expenses		
Interest expense, net	(1,240)	(2,370)
Total non-operating expenses	(1,240)	(2,370)
Income (loss) before income taxes	79	(7,802)
Income tax expense	33	44
Net income (loss)	\$ 46	\$ (7,846)

Components of Our Operating Income (Loss)

Comparison of the three months ended March 31, 2026 to the three months ended March 31, 2025

The following table summarizes our revenue, gross profit, gross margin, and total operating expenses (*dollars in thousands, unaudited*):

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Revenue, net	\$ 109,227	\$ 89,974	\$ 19,253	21 %
Cost of goods sold	73,139	57,502	15,637	27 %
Gross profit	\$ 36,088	\$ 32,472	\$ 3,616	11 %
Gross margin ⁽¹⁾	33 %	36 %		
Total operating expenses	\$ 34,769	\$ 37,904	\$ (3,135)	(8) %

⁽¹⁾ Gross margin is calculated as gross profit as percentage of revenue, net.

Revenue, net

Net revenue for the three months ended March 31, 2026 increased \$19.3 million, or 21%, to \$109.2 million as compared to \$90.0 million for the corresponding period in 2025.

The following table summarizes net sales by channel for the periods indicated (*dollars in thousands, unaudited*):

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Wholesale	\$ 74,702	\$ 56,791	\$ 17,911	32 %
DTC	29,720	27,720	2,000	7 %
Outpost	4,805	5,463	(658)	(12) %
Total net sales	\$ 109,227	\$ 89,974	\$ 19,253	21 %

Net revenue for our Wholesale channel for the three months ended March 31, 2026, increased \$17.9 million, or 32%, to \$74.7 million as compared to \$56.8 million for the corresponding period in 2025. The increase was primarily driven by expanded packaged coffee distribution and SKU expansion at FDM retailers, as well as contributions from Black Rifle Energy.

Net revenue for our DTC channel for the three months ended March 31, 2026 increased \$2.0 million, or 7%, to \$29.7 million as compared to \$27.7 million for the corresponding period in 2025. The increase was primarily driven by growth at third-party digital marketplaces, which was partially offset by declines in subscription and non-subscription revenue. The decrease in subscription and non-subscription revenue was driven in part by a shift in customer purchasing behavior toward third-party digital marketplaces, reflecting channel mix changes rather than underlying demand softness.

Net revenue for our Outpost channel for the three months ended March 31, 2026, decreased \$0.7 million, or 12%, to \$4.8 million as compared to \$5.5 million for the corresponding period in 2025. The decrease was primarily driven by softness in volume and average order values.

Cost of goods sold

Cost of goods sold for the three months ended March 31, 2026 increased \$15.6 million, or 27%, to \$73.1 million as compared to \$57.5 million for the corresponding period in 2025. Gross margin decreased to 33% for the three months ended March 31, 2026 as compared to 36% for the corresponding period in 2025. The decrease in gross margin was primarily attributable to higher costs, driven by inflation. Gross margin was further impacted by an increase in the reserve for excess and obsolete inventory. These decreases were partially offset by pricing actions and productivity gains.

Operating expenses

Total operating expenses for the three months ended March 31, 2026 decreased \$3.1 million, or 8%, to \$34.8 million as compared to \$37.9 million for the corresponding period in 2025.

The following table summarizes operating expenses for the periods indicated (*dollars in thousands, unaudited*):

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Marketing and advertising	\$ 10,180	\$ 11,322	\$ (1,142)	(10) %
Salaries, wages and benefits	14,109	13,563	546	4 %
General and administrative	10,098	11,786	(1,688)	(14) %
Other operating expense, net	382	1,233	(851)	(69) %
Total operating expenses	\$ 34,769	\$ 37,904	\$ (3,135)	(8) %

Marketing and advertising expenses for the three months ended March 31, 2026 decreased \$1.1 million, or 10%, to \$10.2 million as compared to \$11.3 million for the corresponding period in 2025. This decrease reflects improved allocation of marketing resources, with reduced spending on media, in-store marketing, and agency costs.

Salaries, wages and benefits expenses for the three months ended March 31, 2026 increased \$0.5 million, or 4%, to \$14.1 million as compared to \$13.6 million for the corresponding period in 2025. This increase was primarily attributable to higher bonus expense in the current period. This increase was partially offset by lower payroll costs driven by a reduction in headcount year over year as a result of our Operational Improvement Plan.

General and administrative expenses for the three months ended March 31, 2026 decreased \$1.7 million, or 14%, to \$10.1 million as compared to \$11.8 million for the corresponding period in 2025. This decrease reflects actions taken to simplify and rationalize the Company's cost structure.

Other operating expense, net for the three months ended March 31, 2026 decreased approximately \$0.9 million, or 69%, to \$0.4 million as compared to \$1.2 million for the corresponding period in 2025. The decrease was primarily related to a lease termination that was recorded in the first quarter of 2025.

Interest expense, net

Interest expense, net for the three months ended March 31, 2026 decreased approximately \$1.1 million, or 48%, to \$1.2 million as compared to \$2.4 million for the corresponding period in 2025. The decrease was primarily driven by a lower average outstanding balance of the ABL Facility during the first quarter of 2026 compared to the corresponding period in 2025.

Liquidity and Capital Resources

Liquidity Overview

Our principal use of cash is to support the growth of our business, including increasing working capital requirements related to inventories, accounts receivable, and general and administrative expenses. We also use cash to fund our debt service commitments, capital equipment acquisitions, and other growth-related needs.

Our primary sources of cash are (1) cash on hand, (2) cash provided by operating activities, and (3) net borrowings from our credit facilities. As of March 31, 2026, our cash and cash equivalents were approximately \$10.0 million, our working capital was \$29.6 million, and under our credit facilities, we had \$52.5 million of available borrowings. Our ability to draw from the credit facilities is subject to a borrowing base and other covenants. As of March 31, 2026, we are in compliance with our covenants under the credit facilities, and there are no defaults or events of default. We believe that these sources of liquidity will be sufficient to fund our working capital requirements and to meet our commitments in the ordinary course of business and under the current market conditions for at least the next twelve months.

On July 18, 2025, we closed a public offering and issued 28,000,000 shares of Class A Common Stock and an additional 4,200,000 shares of Class A Common Stock as a result of the full exercise of the underwriter's option, for total net proceeds of \$37.3 million.

See [Note 2. Long-Term Debt](#), to the consolidated financial statements included in Item 1 of Part I of this Quarterly Report for information regarding the Credit Agreements.

Cash Flows from Operating, Investing and Financing Activities

The following table summarizes our cash flows for the periods indicated (*dollars in thousands, unaudited*):

	Three Months Ended March 31,		\$ Change	% Change
	2026	2025		
Cash flows provided by (used in):				
Operating activities	\$ 6,764	\$ (4,141)	\$ 10,905	(263)%
Investing activities	\$ (630)	\$ (1,173)	\$ (543)	(46)%
Financing activities	\$ (493)	\$ 2,406	\$ (2,899)	120 %

Operating Activities

Net cash provided by operating activities was \$6.8 million for the three months ended March 31, 2026, compared to net cash used in operating activities of \$4.1 million for the corresponding period in 2025. The total increase of \$10.9 million in net cash provided by operating activities was primarily due to increased net income and working capital improvements.

Investing Activities

Net cash used in investing activities was \$0.6 million for the three months ended March 31, 2026, compared to net cash used in investing activities of \$1.2 million for the corresponding period in 2025. The \$0.5 million decrease in net cash used in investing activities was primarily due to lower capital expenditures, including reduced investment in our Outpost locations, roasting facilities, and information technology.

Financing Activities

Net cash used in financing activities was \$0.5 million for the three months ended March 31, 2026, compared to net cash provided by financing activities of \$2.4 million for the corresponding period in 2025. The \$2.9 million decrease in net cash provided by financing activities was primarily due to \$2.7 million of net proceeds from long-term debt, primarily related to draws on our ABL Facility, in the prior year period.

Commitments

The Company has entered into several manufacturing and purchase agreements to purchase coffee products from third-party suppliers. The minimum purchase amounts are based on quantity and in the aggregate will be approximately \$26.5 million for the remainder of 2026; \$32.4 million for 2027; \$15.1 million for 2028; and \$14.9 million for 2029. See [Note 9, Commitments and Contingencies](#) to the consolidated financial statements included in Item 1 of Part I of this Quarterly Report for information regarding such manufacturing and purchase agreements.

Liabilities relating to operating leases that have commenced as of March 31, 2026 have been reported on the consolidated balance sheets as "Operating lease liabilities". Payments on leases are expected to be approximately \$3.7 million in the next twelve months, and approximately \$30.4 million beyond twelve months through 2043.

Capital Expenditures

Future capital requirements will vary materially from period to period and will depend on factors such as the addition of roasting capacity and the expansion of our corporate and information technology infrastructure to support changes in the Company. We currently expect to fund our material capital requirements with borrowings from our credit facilities, but we may also seek additional debt or equity financing.

Critical Accounting Estimates

Critical accounting estimates are those that management believes are the most important to the portrayal of our financial condition and results of operations and require the most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. These estimates are developed based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Critical accounting estimates are accounting estimates where the nature of the estimates is material due to the level of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and where the impact of the estimates on financial condition or operating performance is material.

We evaluate critical estimates using these criteria on an ongoing basis and add or subtract critical estimates as appropriate. Based on this assessment, we conclude that we do not have any estimates where the nature of the estimates is material due to the level of subjectivity and judgment utilized.

Our significant accounting estimates are discussed in Note 2, *Summary of Significant Accounting Policies* to the audited consolidated financial statements for the year ended December 31, 2025 included in Part II, Item 8 of our Annual Report on Form 10-K, filed with the SEC on March 2, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the disclosures on market risk made in the Company's 2025 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, 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 March 31, 2026. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2026, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See [Note 9. Commitments and Contingencies](#) to the consolidated financial statements included in Item 1 of Part I of this Quarterly Report for information regarding certain legal proceedings in which the Company is involved.

Item 1A. Risk Factors

In addition to the other information included in this Quarterly Report, you should carefully consider the risks and uncertainties discussed in our ["Cautionary Note Regarding Forward-Looking Statements"](#). Other than the below risk factor, there have been no material changes to the risk factors that were previously disclosed in Item 1A in the Company's 2025 Form 10-K.

We may not be able to maintain the listing of our Class A Common Stock on the New York Stock Exchange ("NYSE").

On February 11, 2026, we received a notice from the NYSE that we were not in compliance with the continued listing minimum price criteria set forth in Section 802.01C of the NYSE Listed Company Manual because the average closing price of our Class A Common Stock was less than \$1.00 per share over a consecutive 30 trading-day period (the "Minimum Price Criteria"). There can be no assurance that we will be able to cure this deficiency within the period provided by the NYSE or that we will be able to maintain compliance with other continued listing standards.

We currently intend to seek stockholder approval of a reverse stock split proposal at our annual meeting of stockholders, as disclosed in our definitive proxy statement filed with the SEC on April 10, 2026, subject to the Board's authority to abandon the reverse stock split. In such scenario, the Minimum Price Criteria will be deemed cured if the price of our Class A Common Stock promptly exceeds \$1.00 per share, and the price remains above \$1.00 per share for at least the following 30 trading days. The history of similar reverse stock splits for companies in similar circumstances is varied, and we cannot predict or provide assurance as to whether the reverse stock split, if completed, will increase the market price for our Class A Common Stock for a sustained period of time, or at all, such that we will be able to satisfy the Minimum Price Criteria, or maintain continued compliance with the Minimum Price Criteria, or the other listing requirements of the NYSE. If we are not able to regain compliance with the NYSE's continued listing standards, our Class A Common Stock will be delisted from the NYSE, which would have an adverse effect on our stock price, our ability to raise capital through the sale of our Class A Common Stock, the liquidity of our Class A Common Stock, investors' ability to obtain quotations for our Class A Common Stock and investors' ability to trade our Class A Common Stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans - Directors and Section 16 Officers

During the three months ended March 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on February 10, 2022 with the SEC).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K filed on May 2, 2024 with the SEC).
3.3	Certificate of Correction to the Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K/A filed on August 16, 2024 with the SEC).
3.4	Amended and Restated By-Laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Form 8-K filed on February 10, 2022 with the SEC).
3.5	Amendment to By-Laws of the Company (incorporated by reference to Exhibit 3.5 to the Company's Form 10-K filed on March 3, 2025, with the SEC).
10.1#*	Form of Performance-Based Restricted Stock Unit Agreement under the Company's 2022 Omnibus Incentive Plan
10.2#*	Form of Time-Based Cash Award Agreement under the Company's 2022 Omnibus Incentive Plan
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).
*	Filed herewith.
**	Furnished herewith.
#	Indicates a management contract or compensatory plan, contract, or arrangement.

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.

BRC Inc.

By: /s/ Christopher Mondzelewski
Christopher Mondzelewski
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Matthew Amigh
Matthew Amigh
Chief Financial Officer
(Principal Financial Officer)

May 4, 2026

BRC Inc.
2022 OMNIBUS INCENTIVE PLAN

[FORM OF] PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the BRC Inc. 2022 Omnibus Incentive Plan, as amended from time to time (the “**Plan**”), BRC Inc., a Delaware public benefit corporation (the “**Company**”), hereby grants to the individual listed below (“**you**” or the “**Participant**”) the number of performance-based restricted stock units (the “**PSUs**”) set forth below. This award of PSUs (this “**Award**”) is subject to the terms and conditions set forth herein and in the Performance-Based Restricted Stock Unit Agreement attached hereto as Exhibit A (the “**Agreement**”) and Exhibit B and Exhibit C attached hereto and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Type of Award: Restricted Stock Units, granted pursuant to Article IX of the Plan, which vest subject to performance-based vesting conditions as set forth below.

Participant: _____

Date of Grant: _____

Total Number of Performance-Based Restricted Stock Units (“Target PSUs**”):**

Performance Period: The 3-year period commencing as of _____ and ending on _____ (the “Performance Period”).

Vesting Schedule: Subject to Sections 3 and 6 of the Agreement, the Plan and the other terms and conditions set forth herein, the PSUs shall vest based on achievement of the performance-vesting conditions set forth on Exhibit B attached hereto during the Performance Period, so long as you remain continuously employed by the Company or an Affiliate from the Date of Grant through the Vesting Date (as defined on Exhibit B).

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Performance-Based Restricted Stock Unit Grant Notice (this “**Grant Notice**”). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice, and have had an opportunity to obtain the advice of counsel prior to executing this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including

portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

Notwithstanding any provision of this Grant Notice or the Agreement, if you have not executed and delivered to the Company this Grant Notice within ninety (90) days following the Date of Grant, then this Award will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

BRC INC.

By: _____
Name: Christopher Mondzelewski
Title: Chief Executive Officer

PARTICIPANT

Name:

SIGNATURE PAGE TO
PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT NOTICE

EXHIBIT A

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (together with the Grant Notice to which this Agreement is attached Exhibit B and Exhibit C, this “**Agreement**”) is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between BRC Inc., a Delaware public benefit corporation (the “**Company**”), and _____ (the “**Participant**”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. Award. In consideration of the Participant’s past and/or continued employment with, or service to, the Company or an Affiliate and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the “**Date of Grant**”), the Company hereby grants to the Participant the number of PSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each PSU represents the right to receive one Share, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the PSUs have become vested in the manner set forth in the Grant Notice, the Participant will have no right to receive any Shares or other payments in respect of the PSUs. Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. Vesting of PSUs. Except as otherwise set forth in Sections 3 or 6 hereof, the PSUs shall vest in accordance with the vesting schedule set forth in the Grant Notice. Unless and until the PSUs have vested in accordance with such vesting schedule, the Participant will have no right to receive any dividends or other distribution with respect to the PSUs.

3. Termination and Forfeiture of PSUs.

(a) Upon the Participant’s Termination of Service prior to the vesting of all of the PSUs (but after giving effect to any accelerated vesting pursuant to this Section 3, if applicable), any unvested PSUs (and all rights arising from such PSUs and from being a holder thereof) will immediately and automatically terminate without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding anything in the Grant Notice, this Agreement or the Plan to the contrary, subject to Section 12:

(i) upon the Participant’s Termination of Service by the Company or an Affiliate without Cause, a prorated portion of the unvested PSUs shall vest as of the Vesting Date and be settled pursuant to Section 5 hereof, with such portion determined by multiplying the number of Target PSUs that performance-vest pursuant to the achievement of the performance-vesting conditions set forth on Exhibit B attached hereto based on actual performance during the Performance Period by a fraction, (A) the numerator of which equals the number of calendar days that the Participant was employed by the Company or an Affiliate during the Performance Period

and (B) the denominator of which equals the total number of calendar days in the Performance Period, and any and all then-unvested PSUs (and all rights arising from such PSUs and from being a holder thereof) will immediately and automatically terminate without any further action by the Company and will be forfeited without further notice and at no cost to the Company;

(ii) upon the Participant's Termination of Service due to the Participant's death or Disability, a prorated portion of the unvested PSUs shall vest as of the Vesting Date and be settled pursuant to Section 5 hereof, with such portion determined by multiplying the number of Target PSUs that performance-vest pursuant to the achievement of the performance-vesting conditions set forth on Exhibit B attached hereto based on actual performance during the Performance Period by a fraction, (A) the numerator of which equals the number of calendar days that the Participant was employed by the Company or an Affiliate during the Performance Period and (B) the denominator of which equals the total number of calendar days in the Performance Period, and any and all then-unvested PSUs (and all rights arising from such PSUs and from being a holder thereof) will immediately and automatically terminate without any further action by the Company and will be forfeited without further notice and at no cost to the Company, and for the avoidance of doubt, the Participant's right to receive any additional PSUs granted under this Agreement will immediately and automatically terminate without any further action by the Company and will be forfeited without further notice and at no cost to the Company; or

(iii) upon the occurrence of a Change in Control, subject to the Participant's continued employment or service with the Company or an Affiliate through the date of such Change in Control, a prorated portion of the unvested PSUs shall vest as of the date of such Change in Control and be settled pursuant to Section 5 hereof, with such portion determined by multiplying the number of Target PSUs that performance-vest pursuant to the achievement of the performance-vesting conditions set forth on Exhibit B attached hereto based on actual performance during the Performance Period to and through the date of such Change in Control by a fraction, (A) the numerator of which equals the number of calendar days that the Participant was employed by the Company or an Affiliate during the Performance Period through the date of such Change in Control and (B) the denominator of which equals the total number of calendar days in the Performance Period, and any and all then-unvested PSUs (and all rights arising from such PSUs and from being a holder thereof) will immediately and automatically terminate without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(c) For purposes of this Agreement:

(i) **Good Reason** shall mean the occurrence, without Participant's written consent, of: (A) a materially adverse change in Participant's reporting obligations; (B) a materially adverse diminution in Participant's employment duties, responsibilities or authority, or the assignment to Participant of duties that are materially and adversely inconsistent with his or her position; (C) any reduction in base salary other than any reduction of up to 20% that affects all officers of the Company; provided, that Participant may terminate his or her employment for Good Reason only if (x) within ninety (90) days of the date Participant has actual knowledge of the occurrence of an event of Good Reason, Participant provides written notice to the Company specifying such event, (y) the Company does not cure such event within sixty (60) days of such

notice for other events and (z) Participant actually terminates his or her employment within thirty (30) business days of the end of such cure period.

4. **Dividend Equivalent Rights.** In the event that the Company declares and pays a regular cash dividend in respect of its outstanding Shares (which, for clarity, does not include any extraordinary cash dividend) and, on the record date for such dividend, the Participant holds PSUs granted pursuant to this Agreement that have not been settled, the Company shall record the amount of such dividend in a bookkeeping account and pay to such Participant an amount in cash equal to the cash dividends the Participant would have received if the Participant was the holder of record, as of such record date, of a number of Shares equal to the number of PSUs held by the Participant that have not been settled as of such record date (the “**Dividend Equivalent Rights**”). The Dividend Equivalent Rights will be settled on the date on which such PSUs are settled in accordance with Section 5. For purposes of clarity, if any of the PSUs are forfeited by the Participant pursuant to the terms of this Agreement, then the Participant shall also forfeit the Dividend Equivalent Rights, if any, accrued with respect to such forfeited PSUs. No interest will accrue on the Dividend Equivalent Rights between the declaration and payment of the applicable dividends and the settlement of the Dividend Equivalent Rights.

5. **Settlement of PSUs.** As soon as administratively practicable following the vesting of PSUs pursuant to Section 2 hereof, but in no event later than thirty (30) days after the Vesting Date (or, solely with respect to any PSUs that vest pursuant to Section 3(b)(iii) hereof, in no event later than thirty (30) days after the date of such Change in Control), the Company shall deliver to the Participant a number of Shares equal to the number of PSUs subject to this Award. All Shares issued hereunder shall be delivered either by delivering one or more certificates for such shares to the Participant or by entering such shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 5 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

6. **Restrictive Covenants.** Notwithstanding any provision in this Agreement or the Plan to the contrary, in the event the Committee determines that the Participant has failed to abide by any of the terms set forth in Exhibit C or the provisions of any other confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement or other restrictive covenants in any other agreement by and between the Company or any Affiliate and the Participant (collectively, the “**Restrictive Covenants**”), which Restrictive Covenants are hereby incorporated by reference as if fully set forth herein, then, in addition to and without limiting the remedies set forth in Exhibit C:

(a) all PSUs that have not been settled as of the date of such determination (and all rights arising from such PSUs and from being a holder thereof) will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company; and

(b) the Participant shall, within thirty (30) days following the Participant’s receipt of a written notice from the Company, pay to the Company a cash amount equal to the Fair Market Value of any Shares previously received by the Participant pursuant to the settlement of the PSUs as of the date of receipt of such Shares.

The Participant acknowledges and agrees that the grant of the PSUs further aligns the Participant's interests with the Company's long-term business interests, and as a condition to the Company's willingness to enter into this Agreement, the Participant agrees to abide by the terms set forth in Exhibit C, which Exhibit C is deemed to be part of this Agreement as if fully set forth herein. The Participant acknowledges and agrees that the Restrictive Covenants are reasonable and enforceable in all respects. By accepting this Award, the Participant agrees to be bound, and promises to abide, by the terms set forth in Exhibit C and expressly acknowledges and affirms that this Award would not be granted to the Participant if the Participant had not agreed to be bound by such provisions.

7. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company regarding the payment of any income tax, social insurance contribution or other applicable taxes that are required to be withheld in respect of this Award, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares (which are not subject to any pledge or other security interest), net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. Any fraction of a Share required to satisfy such tax obligations shall be disregarded and the amount due shall be paid instead in cash to the Participant. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

8. **Employment Relationship.** For purposes of this Agreement, Participant shall be considered to be employed by the Company or an Affiliate as long as Participant remains an employee of any of the Company, an Affiliate or a corporation or other entity (or a parent or subsidiary of such corporation or other entity) assuming or substituting a new award for this Award.

9. **Non-Transferability.** During the lifetime of the Participant, the PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the PSUs have been issued, and all restrictions applicable to such Shares have lapsed. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance,

assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

10. Compliance with Applicable Law. Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

11. Rights as a Stockholder. The Participant shall have no rights as a stockholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement.

12. Execution of Receipts and Releases. Any issuance or transfer of Shares or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; *provided, however*, that any review period under such release will not modify the date of settlement with respect to vested PSUs.

13. No Right to Continued Employment, Service or Awards. Nothing in the adoption of the Plan, nor the award of the PSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. Unless otherwise provided in a written employment agreement or by applicable law, the Participant's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be

terminated at any time by either the Participant or the Company, or any such Affiliate, or other entity for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes. The grant of the PSUs is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of Awards or benefits in the future in lieu of Awards in the future, including any adjustment to wages, overtime, benefits or other compensation. Any future Awards will be granted at the sole discretion of the Company.

14. Legal and Equitable Remedies. The Participant acknowledges that a violation or attempted breach of any of the Participant's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Affiliates shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Participant or the affiliates, partners or agents of the Participant from such breach or attempted violation of such covenants and agreements, as well as to recover from the Participant any and all costs and expenses sustained or incurred by the Company or any Affiliate in obtaining such an injunction, including reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 14 shall be cumulative and in addition to any other remedies to which such party may be entitled.

15. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Participant (or other holder):

BRC Inc.
attn.: General Counsel
3131 W. 2210 S., Suite C
West Valley City, Utah 84119

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

16. Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept

electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

17. Agreement to Furnish Information. The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

18. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; *provided, however*, that (a) the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement; and (b) the terms of Exhibit C are in addition to and complement (and do not replace or supersede) all other agreements and obligations between the Company or any Affiliate and the Participant with respect to confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement and other restrictive covenants. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; *provided, however*, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially and adversely reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

19. Severability and Waiver. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

20. Company Recoupment of Awards. The Participant's rights with respect to this Award shall in all events be subject to (a) all rights that the Company may have under any Company recoupment policy or any other agreement or arrangement with the Participant, and (b) all rights and obligations that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations

promulgated thereunder from time to time by the U.S. Securities and Exchange Commission, the listing standards of any national securities exchange or association on which the Company's securities are listed, or any other Applicable Law.

21. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

22. Successors and Assigns. The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the Person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

23. Headings; References; Interpretation. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including Exhibit B and Exhibit C attached hereto, and not to any particular provision of this Agreement. All references herein to Sections and Exhibit B and Exhibit C shall, unless the context requires a different construction, be deemed to be references to the Sections and Exhibit B and Exhibit C of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

24. Counterparts. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

25. Section 409A. The Plan, this Agreement and Awards are intended to comply with or be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed, and interpreted in accordance with such intent. To the extent that any Award is subject to Section 409A of the Code, it shall be paid in a manner that will comply with Section 409A of

the Code, including proposed, temporary, or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan or this Agreement that is inconsistent with Section 409A of the Code shall be deemed to be amended to comply with or be exempt from Section 409A of the Code and, to the extent such provision cannot be amended to comply therewith or be exempt therefrom, such provision shall be null and void. Notwithstanding any contrary provision in the Plan or this Agreement, any payment(s) of “nonqualified deferred compensation” (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan or this Agreement to a “specified employee” (as defined under Section 409A of the Code) as a result of such employee’s separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in this Agreement) upon expiration of such delay period. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the PSUs provided under this Agreement are exempt from or compliant with Section 409A of the Code and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

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EXHIBIT B

PERFORMANCE-VESTING CONDITIONS

This Exhibit B sets forth the performance-vesting conditions and methodology applicable to the PSUs. Subject to the terms and conditions set forth in the Grant Notice, the Agreement and the Plan, the portion of the PSUs subject to this Award that become performance-vested during the Performance Period, if any, will be determined upon the Committee's certification of the achievement of the performance criteria in accordance with this Exhibit B, which shall occur within sixty (60) days following the end of the Performance Period (the actual date of such certification, the "Vesting Date"). Capitalized terms used but not defined herein shall have the same meaning as is ascribed thereto in the Grant Notice, the Agreement or the Plan, as applicable.

All PSUs subject to this Award that are outstanding as of the date immediately following the Vesting Date shall be forfeited and cancelled for no consideration if they do not become performance-vested as set forth below. PSUs subject to this Award that have performance-vested pursuant to this Exhibit B shall vest on the Vesting Date in accordance with the Grant Notice. Consistent with the terms of the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the terms of the Plan or the Agreement, including this Exhibit B, shall be within the sole discretion of the Committee, and shall be final, conclusive, and binding upon all persons.

1. TSR PSUs. The PSUs shall vest based on achievement of the Relative TSR (as defined below) percentiles specified below (the "Performance Conditions"), as measured during the Performance Period.

Relative total shareholder return ("Relative TSR") measures the Company's total shareholder return ("TSR") as compared to the TSR of the Peer Group Members in the Peer Group (each as defined below).

The Company's Relative TSR shall be determined: first, by calculating the TSR of the Company and each Peer Group Member in accordance with the formula set forth below, in each case, at the end of the Performance Period, second, by ranking the resulting TSR percentage for each Peer Group Member and third, by determining which percentile the Company's TSR falls within such ranking.

TSR for the Company and each Peer Group Member shall be calculated as follows:

$$TSR (\%) = \frac{(EP + CD - BP)}{BP} \times 100$$

Ending Price (EP) – equals the relevant company's average closing stock price for the twenty (20) trading days immediately prior to the last day of the Performance Period.

Beginning Price (BP) – equals the relevant company's average closing stock price for the twenty (20) trading days immediately prior to the first day of the Performance Period.

Cumulative Cash Dividend Payment (CD) – equals the sum of all cash dividends declared during the Performance Period, based on their ex-dividend date.

“Peer Group Member” means those companies that comprise the S&P Food and Beverage Select Industry Index as of the first date of the Performance Period (such companies collectively, the “Peer Group”), subject to the adjustments set forth in Section 3 below.

“S&P Food and Beverage Select Industry Index” means the S&P Food and Beverage Select Industry Index, as published by S&P Dow Jones Indices or any successor index.

Achievement Level	Relative TSR (%)	Payout (% of PSUs)
Threshold	25%	50%
Target	50%	100%
Maximum	75%	200%

2. With respect to Section 1 above, (i) (a) performance below Threshold shall result in no payout to Participant with respect to the applicable portion of the PSUs, (b) performance above Maximum shall result in a payout capped at the Maximum, and (c) if the Company’s TSR is negative, payout shall be capped at 100% of the Target number of PSUs, regardless of percentile ranking, and (ii) linear interpolation shall be used to determine the percent above the Threshold or below the Maximum in the event that the relevant performance percentage falls between the percentages listed in the chart above. The Committee shall have the sole authority to calculate Participant’s earned PSUs, which such calculation shall be final and binding.
3. If, (i) at the end of the Performance Period, any Peer Group Member is no longer publicly traded or (ii) during the Performance Period, any Peer Group Member declares bankruptcy, the TSR of such Peer Group Member shall be deemed to be the lowest ranked TSR in the Peer Group (and, if multiple Peer Group Members are no longer publicly traded at the end of the Performance Period or declare bankruptcy during the Performance Period, such Peer Group Members shall be ranked in order of when such delisting or bankruptcy occurs, with earlier bankruptcies and delistings ranking lower than later bankruptcies, and delistings).
4. If, during the Performance Period, any Peer Group Member is involved in a merger or acquisition, then (a) if such Peer Group Member is the surviving company, such Peer Group Member will continue to be a Peer Group Member and (b) if such Peer Group Member is not the surviving company, then such Peer Group Member will be removed from the Peer Group and the TSR of such removed Peer Group Member shall not be included in calculating the Relative TSR.
5. If a Peer Group Member completes a spin-off or similar separation transaction during the Performance Period, the Committee shall determine the appropriate treatment of such Peer Group Member for purposes of calculating Relative TSR. In making this determination, the Committee may (i) continue to include the Peer Group Member with adjustments to TSR to reflect the distribution of the spun-off entity, (ii) remove the Peer Group Member from the Peer Group, or (iii) make any

other adjustment it considers equitable to preserve the intended measurement of Relative TSR. Any such determination shall be made in a manner that is consistent with the principles of the Award and applied uniformly to similarly situated companies.

6. If a Peer Group Member has more than one class of publicly traded common equity, the class designated by the applicable index provider as the primary security for index inclusion shall be used to calculate Relative TSR. If the index provider does not designate a primary class, the class with the highest average daily trading volume during the Performance Period shall be used. Any additional or duplicative share classes shall be excluded from the calculation of Relative TSR.
 7. Companies that are added to the S&P Food and Beverage Select Industry Index after the first date of the Performance Period shall not be added to the Peer Group for purposes of this Award.
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EXHIBIT C

1. Protection of Confidential Information.

(a) **Non-Use and Non-Disclosure.** Participant shall not, at any time during Participant's employment or engagement with the Company or any Affiliate or thereafter, or during the Prior Period, disclose or use any trade secret, proprietary or confidential information of the Company or any Affiliate of the Company (collectively, "**Confidential Information**") obtained or learned by Participant during the course of such employment or engagement or in any Prior Period, except for (i) disclosures and uses required in the course of such employment or engagement or with the prior written permission of the Company, (ii) disclosures with respect to any litigation, arbitration or mediation related the enforcement of Participant's rights relating to the Company, or (iii) as may be required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction to order such disclosure; provided, that, if, in any circumstance described in clause (iii), Participant receives notice that any third party shall seek to compel such a disclosure of any Confidential Information, Participant shall promptly notify the Company and provide reasonable cooperation to the Company (at the Company's sole expense) in seeking a protective order against such disclosure. Notwithstanding anything to the contrary in the foregoing, "Confidential Information" does not include information that is or becomes publicly known outside the Company or any of its subsidiaries other than due to a breach of Participant's obligations.

(b) **Return of Information.** At any time requested by the Company or upon termination of the Term, and regardless of the reasons therefore, Participant shall (i) immediately cease any further use of Confidential Information and (ii) deliver to the Company, any and all notes, files, memoranda, papers and, in general, any and all physical (including electronic) matter containing Confidential Information that are in Participant's possession or under Participant's control, except as otherwise consented in writing by the Company at the time of such termination.

(c) **Defend Trade Secrets Act Notice.** Notwithstanding the foregoing obligations of confidentiality, this agreement does not affect any rights or immunities of Participant under 18 USC §1833(b)(1) or (2) and, as such, Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state, or local government official, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by the Company or its Subsidiaries for reporting a suspected violation of law, then Participant may disclose the trade secret to Participant's attorney and use the trade secret information in the court proceeding, if Participant (or an attorney on Participant's behalf) files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

2. Noncompetition, Noninterference, Nondisparagement and Cooperation.

(a) **General.** Participant agrees that Participant shall not, other than in carrying out Participant's duties for the Company, directly or indirectly, do any of the following: (i) during Participant's employment or engagement with the Company and its

Subsidiaries and for a period of time equal to [twelve (12) months]¹ after any termination of such employment or engagement, render services in any capacity (including as an employee, director, member, consultant, partner, investor or independent contractor) to a Competing Business, (ii) during Participant's employment or engagement with the Company and its Subsidiaries and for a period of two (2) years after any termination of such employment or engagement, attempt to, or assist any other person in attempting to, employ, engage, retain or partner with, any person who is then, or at any time during the ninety (90) day-period prior thereto was, a director, officer or other executive or employee of the Company or an Affiliate, or encourage any such person or any consultant, agent or independent contractor of the Company or any Affiliate to terminate or adversely alter or modify such relationship with the Company or any Affiliate; provided, that this section (ii) shall not be violated by general advertising, general internet postings or other general solicitation in the ordinary course not specifically targeted at such persons, or (iii) during Participant's employment or engagement with the Company and its Subsidiaries and for a period of two (2) years after any termination of employment or engagement, solicit any then current customer or business partner of the Company or any Affiliate to terminate, alter or modify its relationship with the Company or the Affiliate or to interfere with the Company's or any Affiliate's relationships with any of its customers or business partners. During and after the Term, Participant shall not make any public statement that is intended to or would reasonably be expected to disparage the Company, its Affiliates or its or their directors, officers, employees, the Business or products other than as required in the good faith discharge of Participant's duties. Notwithstanding the foregoing, nothing in this Section 2(a) shall prevent Participant making any truthful statement to the extent required by law. Nothing herein is intended to or will be used in any way to limit Participant's rights to communicate with a government agency, as provided for, protected under or warranted by applicable law. Nothing contained herein shall prevent Participant from acquiring, solely as an investment, any publicly-traded securities of any person so long as he remains a passive investor in such person and does not own more than one percent (1%) of the outstanding securities thereof.

(b) Cooperation. Participant agrees to reasonably cooperate with the Company and its attorneys, both during and after the termination of Participant's employment or engagement, in connection with any litigation or other internal or external proceeding arising out of or relating to matters in which Participant was involved prior to the termination of Participant's employment or engagement so long as such cooperation does not materially interfere with Participant's employment or engagement.

3. **Enforcement.** Participant acknowledges and agrees that: (i) the purpose of the covenants set forth in Sections 1 and 2 above (the "**Restrictive Covenants**") is to protect the goodwill, trade secrets and other confidential information of the

¹ Restricted Period may be adjusted by the Compensation Committee based on position level.

Company; (ii) because of the nature of the business in which the Company is engaged and because of the nature of the Confidential Information to which Participant has access, it would be impractical and excessively difficult to determine the actual damages of the Company in the event Participant breached any such covenants; and (iii) remedies at law (such as monetary damages) for any breach of Participant's obligations under the Restrictive Covenants would be inadequate. Participant therefore agrees and consents that if Participant commits any breach of a Restrictive Covenant, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage. If any portion of the Restrictive Covenants is hereafter determined to be invalid or unenforceable in any respect, such determination shall not affect the remainder thereof, which shall be given the maximum effect possible and shall be fully enforced, without regard to the invalid portions. In particular, without limiting the generality of the foregoing, if the covenants set forth in Section 2 are found by a court or an arbitrator to be unreasonable, Participant and the Company agree that the maximum period, scope or geographical area that is found to be reasonable shall be substituted for the stated period, scope or area, and that the court or arbitrator shall revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. If any of the Restrictive Covenants are determined to be wholly or partially unenforceable in any jurisdiction, such determination shall not be a bar to or in any way diminish the Company's right to enforce any such covenant in any other jurisdiction.

4. Intellectual Property.

(a) Ownership of Company IP. All Work Product created, invented, or developed by the Participant, either during the Prior Period or during the Term, whether solely or jointly with others, and that (i) relates to the Business, (ii) is or was developed using any resources or equipment of or provided by the Company or its Affiliates, or (iii) is or was created within the scope of Participant's employment by the Company, and all Intellectual Property in any of the foregoing, is the sole and exclusive property of the Company (collectively, the "**Company IP**"). Participant hereby acknowledges and agrees that the Company IP is intended to be a work made for hire under the U.S. Copyright Act of 1976, as amended, of which the Company is the owner. To the extent the Company IP is not, or is deemed not to be, a work made for hire, Participant hereby irrevocably assigns to the Company all of Participant's right, title and interest in and to the Company IP, and Participant hereby waives all moral rights or other rights with respect to attribution of authorship or integrity related to any and all Company IP. Except as set forth in Section 4(c), Participant shall have no right to use any Company IP without the prior written consent of Company.

(b) Participant IP. Participant represents and warrants that as of the date hereof, there is no Work Product (or Intellectual Property therein) that: (i) has been created by or on behalf of Participant (either solely or jointly with others) or (ii) is owned exclusively by Participant or jointly by Participant with others and that both (x) relate to the Business and (y) are not assigned to the Company under this agreement ("**Participant IP**"). Notwithstanding the foregoing, if Participant uses with or incorporates into any Company IP or Company-Owned Social Media Post any Participant IP, or any other Intellectual Property that does not constitute Company IP, then Participant hereby grants to the Company a perpetual, irrevocable, nonexclusive, fully paid-up, royalty-free, sublicenseable (through multiple tiers), worldwide license under all such Intellectual Property to make, have made, use, sell, offer for sale, import, export, copy, publish,

perform, make derivative works of, distribute, improve, modify, and otherwise exploit such Intellectual Property in connection with the Business (including any product or service thereof).

- (c) Licenses to Participant.
 - (i) Subject to Section 4(c)(iii), the Company hereby grants to Participant a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free, fully paid-up license, solely during the Term, to use, copy, distribute, create derivative works of, perform, and display Content included in the Company IP or provided to Participant by the Company in connection with making Social Media Posts on Participant Social Media Channels.
 - (ii) Subject to Sections 4(c)(iii) and 4(c)(iv), the Company hereby grants to Participant a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free, fully paid-up license, solely during the Term, to use the Company Marks in connection with making Social Media Posts on Participant Social Media Channels. All goodwill arising from Participant's use of the Company Marks will inure exclusively to the benefit of the Company.
 - (iii) The Company may, at any time and in its sole discretion, require Participant to modify or remove any Company Social Media Post from Participant Social Media Channels, and Participant shall promptly (and in any event in no more than three business days) comply with such request.
 - (iv) Participant shall comply with all branding and quality guidelines and other instructions regarding the use of the Company Marks provided by the Company to Participant, and shall remove any Company Mark from a Social Media Post immediately upon the request of the Company.
- (d) Licenses to the Company. Participant hereby grants to the Company an exclusive, worldwide, royalty-free, fully paid-up, sublicenseable (through multiple tiers), transferable, perpetual, irrevocable license to use, display, publish, copy, reproduce, distribute, and otherwise exploit in any form or media (whether now existing, known, or later developed) the Publicity Rights of Participant in connection with the conduct and promotion of the Business (including during the Prior Period), including all products and services of the Business. To the extent that Participant may not grant the foregoing license under applicable law, Participant hereby irrevocably releases, waives, acquits, and forever discharges the Company and its Affiliates and its and their past and present directors, officers, partners, agents, employees, successors, and assigns from any and all known or unknown claims, causes of action, or demands whatsoever in law or in equity that Participant ever had, now has, or hereafter may acquire against any such parties based on, or arising out of, in whole or in part, the Company's or its Affiliate's use of any of

Participant's Publicity Rights in connection with the conduct and promotion of the Business (including all products and services of the Business, and including during the Prior Period), and covenants not to use Participant's Publicity Rights in connection with any Competing Business during the Term or thereafter. Notwithstanding anything to the contrary in the foregoing, nothing contained in this agreement will require the Company to exercise or exploit any of its rights relating to Participant's Publicity Rights.

- (e) Social Media Posts.
- (i) Participant is the owner of all Participant Social Media Channels and the Social Media Posts made by or on behalf of Participant to an Participant Social Media Channel during the Prior Period or the Term to the extent that such Social Media Posts are unrelated to the Business and do not include, contain, incorporate, or reference any Company Mark, Company IP, or other Intellectual Property or Content owned or controlled by the Company ("**Participant Social Media Posts**"). For clarity, Participant Social Media Posts expressly exclude any Content that includes, contains, incorporates, or references Company Marks, Company IP, or other Intellectual Property or Content owned or controlled by the Company or its Affiliates, all of which are owned, as between Participant and the Company, exclusively by the Company or its Affiliates.
- (ii) The Company is the owner of all Social Media Posts made by or on behalf of Participant to a Social Media Channel (and all Content and Intellectual Property rights therein) to the extent such Social Media Post includes, contains, incorporates, or references any Company IP, any Company Marks, or any other Intellectual Property or Content owned or controlled by the Company or its Affiliates (collectively, the "**Company-Owned Social Media Posts**"). To the extent Participant has or obtains any rights in the Company-Owned Social Media Posts, Participant hereby assigns to the Company all of Participant's right, title, and interest in and to such Company-Owned Social Media Posts.
- (iii) Participant hereby grants to the Company a non-exclusive, worldwide, royalty-free, fully paid-up, sublicenseable (through multiple tiers), transferable, perpetual, irrevocable license to use, display, publish, copy, reproduce, distribute, and otherwise exploit in any form or media (whether now existing, known, or later developed) all Company Social Media Posts that do not constitute Company-Owned Social Media Posts (including in such license all rights to the Content and Intellectual Property therein).
- (iv) The Company shall be responsible for ensuring that Content (including product statements) that Company provides Participant for inclusion in Social Media Posts made to an Participant Social Media Channel, and instructions that Company provides Participant with respect to making such Social Media Posts (if any), are compliant with applicable laws. Subject to the foregoing, Participant shall be responsible for ensuring that that all Company Social Media Posts made by or on behalf of Participant to any Social Media Channel are made in compliance with all applicable laws. Without limiting the foregoing, Participant shall comply with the FTC's Enforcement Policy Statement on Deceptively Formatted Advertisements and the FTC's Native Advertising: A Guide for Business, and any other applicable regulations, rules, or standards relating to the promotion of products or services on Social Media Channels, or that are otherwise applicable to the Company Social Media

Posts on any Participant Social Media Channel, or that are otherwise made by or on behalf of Participant to any Social Media Channel. Promptly upon the request of the Company or the termination of the Term (but in no event more than five business days following either event), Participant shall deliver to the Company all tangible embodiments of Company-Owned Social Media Posts and Company Social Media Posts existing on any Participant Social Media Channel, or that have otherwise been made by or on behalf of Participant to any Social Media Channel. Upon the termination of the Term for any reason, Participant shall immediately cease making any Social Media Posts on any Social Media Channels, including Participant Social Media Channels, that would be a Company Social Media Post hereunder (except, and only to the extent, Participant and Company agree otherwise in writing).

- (v) Immediately upon the termination of the Term by the Company for cause (as determined by the Company), Participant shall remove all Company Social Media Posts from all Participant Social Media Channels, and shall cause the removal of all Company Social Media Posts made by or on behalf of Participant to any other Social Media Channel.
- (f) Further Assurances. Participant shall assist the Company, or its designee, at Company's expense, in every reasonable way in connection with securing the Company's rights in the Company IP and the Company-Owned Social Media Posts, including executing or causing to be executed all documents reasonably requested by the Company. Participant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Participant's agent and attorney-in-fact, which is a right coupled with an interest, to act for and in Participant's behalf and stead to execute and file any such instruments and papers and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of any Company IP or Company-Owned Social Media Posts.

5. Definitions. For purposes of this Exhibit B, the following definitions shall apply:

- (a) "**Affiliate**" means a person or other entity that directly or indirectly controls, is controlled by, or is under common control with the Company.
- (b) "**Business**" means the business of sourcing, processing, manufacturing, packaging, distributing, marketing and selling any Covered Product, and related merchandise and apparel, and designing, owning, operating, licensing and franchising coffee-based retail establishments, or any activities, services or products incidental or attendant thereto, including media enterprises based on persons associated with the Company or any of its Subsidiaries, Company values, and such business.
- (c) "**Company Marks**" means any Trademarks owned or controlled by the Company or its Affiliates.
- (d) "**Company Social Medial Channel**" means any Social Medial Channel created by, or owned or controlled by, the Company or its Affiliates, or that includes all or any part of any Company Mark in the username (or similar name or social media handle) or other identifying label or designation associated with such Social Medial Channel.

- (e) **“Company Social Media Post”** means any Social Media Post that (a) includes, contains, incorporates, or references any Company Mark, Company IP, any other Intellectual Property or Content owned or controlled by the Company or its Affiliates or (b) that a reasonable Person would associate with the Company, its Affiliates or the Business.
- (f) **“Competing Business”** means any business that competes with the Business or has taken material steps in preparation to compete with the Business.
- (g) **“Content”** means any work of authorship, content, or material, including written works of any kind or nature, photographs, images, negatives, films, outtakes, B-Roll, pictures, drawings, renderings, video recordings, audio recordings, audio-visual works, and digital images.
- (h) **“Covered Product”** means coffee (including in a beverage format, ground, whole bean, and “pod” formats) or any other beverage of the type the Company or its Subsidiaries, directly or indirectly, produce, distribute, sell or market or have taken material steps to do any of the foregoing.
- (i) **“Participant Social Medial Channels”** means any Social Media Channel owned or controlled by Participant or Participant’s immediate family member and that is not a Company Social Media Channel.
- (j) **“Intellectual Property”** means all intellectual property rights of any kind or nature, including (a) trademarks, service marks, domain names, trade dress, corporate names, brand names, trade names, and other indicia of source or origin, and all registrations, applications and renewals relating thereto or in connection therewith (including, in each case, the goodwill associated therewith) (**“Trademarks”**), (b) patents and patent applications, (c) copyrights, copyrightable works, and all applications and registrations therefor, (d) trade secrets, (e) rights in Content, Work Product, and Social Media Posts, and (f) all rights to sue for past, present, and future infringement of any of the foregoing.
- (k) **“Prior Period”** means any prior period during which (a) Participant was employed by the Company or any of its Affiliates or Subsidiaries (including any predecessors thereof) or (b) Participant was engaged in work, activities, services, or efforts on behalf of the Company or the Business prior to the formation of the Company or any of its Subsidiaries or Affiliates (including any predecessors thereof).
- (l) **“Publicity Rights”** means the name, voice, likeness, signature, photograph, video, biographical data, and other elements or attributes of an individual’s persona, identity, or personality, and any other rights of a similar nature protectable under applicable law.
- (m) **“Social Media Channel”** means any website, application, or other medium now known or hereafter devised that enables individuals to create or share Content or participate in social networking, including, but not limited to, YouTube, Facebook, Instagram, Twitter, TikTok, and Snapchat.

- (n) “**Social Media Post**” means the making available of Content on any Social Media Channel in any manner permitted by such Social Media Channel, regardless of the amount of time such Content is made available on the Social Media Channel.
- (o) “**Subsidiary**” of the Company shall mean any corporation of which the Company owns, directly or indirectly, more than fifty percent (50%) of the voting stock.
- (p) “**Term**” means any current or future period during which (a) Participant is employed by the Company or any of its Affiliates or Subsidiaries (including any predecessors thereof) or (b) Participant is engaged in work, activities, services, or efforts on behalf of the Company or the Business.
- (q) “**Work Product**” means all discoveries, developments, concepts, designs, ideas, know-how, modifications, improvements, derivative works, inventions, trade secrets, Trademarks, or Content, in each case whether or not patentable, copyrightable or otherwise legally protectable.

BRC INC.
2022 OMNIBUS INCENTIVE PLAN

[FORM OF] TIME-BASED CASH GRANT NOTICE

Pursuant to the terms and conditions of the BRC Inc. 2022 Omnibus Incentive Plan, as amended from time to time (the "**Plan**"), BRC Inc., a Delaware public benefit corporation (the "**Company**"), hereby grants to the individual listed below ("**you**" or the "**Participant**") the time-based cash award (the "**Cash Award**") set forth below. This Cash Award is subject to the terms and conditions set forth herein, in the Time-Based Cash Award Agreement attached hereto as Exhibit A (the "**Agreement**") and in the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan. In addition, as a condition to receipt of the cash, you agree to comply with and be bound by the Restrictive Covenants attached hereto as Exhibit B.

Participant: _____

Date of Grant: _____

Vesting Commencement Date: _____

Amount of Cash Award: \$ _____

Vesting Schedule: Subject to Sections 3 and 6 of the Agreement, the Plan and the other terms and conditions set forth herein, the Cash Award shall vest according to the following schedule, so long as you remain continuously employed by the Company or an Affiliate from the Date of Grant through each such vesting date (each, a "**Vesting Date**")

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Time-Based Cash Grant Notice (this "**Grant Notice**"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations arising under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

Notwithstanding any provision of this Grant Notice or the Agreement, if you have not executed and delivered to the Company this Grant Notice within ninety (90) days following the Date of Grant, then this Cash Award will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and Participant has executed this Grant Notice, effective for all purposes as provided above.

BRC INC.

By: _____
Name: Christopher Mondzelewski
Title: Chief Executive Officer

PARTICIPANT

Name:

SIGNATURE PAGE TO
TIME-BASED CASH GRANT NOTICE

EXHIBIT A

TIME-BASED CASH AWARD AGREEMENT

This Time-Based Cash Award Agreement (together with the Grant Notice to which this Agreement is attached, this “**Agreement**”) is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between BRC Inc., a Delaware public benefit corporation (the “**Company**”), and _____ (the “**Participant**”). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. Cash Award. In consideration of Participant’s past and/or continued employment with, or service to, the Company or an Affiliate and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the “**Date of Grant**”), the Company hereby grants to Participant the amount of cash set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, the Cash Award represents the right to receive an amount of cash, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the Cash Award has become vested in the manner set forth in the Grant Notice, Participant will have no right to receive any delivery of cash or other payments in respect of the Cash Award. Prior to settlement of this Cash Award, such Cash Award represents an unsecured obligation of the Company, payable only from the general assets of the Company.

2. Vesting. Except as otherwise set forth in Sections 3 or 6, the Cash Award shall vest in accordance with the vesting schedule set forth in the Grant Notice. Unless and until the Cash Awards have vested in accordance with such vesting schedule, Participant will have no right to receive any payment or other distribution with respect to the Cash Award.

3. Termination and Forfeiture of Cash Award.

(a) Upon Participant’s Termination of Service prior to the full vesting of the Cash Award, any unvested portion of the Cash Award will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(b) Notwithstanding the foregoing,

(i) upon Participant’s Termination of Service by the Company or an Affiliate due to Participant’s death or Disability, the portion of the Cash Award which would have vested on the first Vesting Date following such Termination of Service shall immediately vest and be settled pursuant to Section 5 hereof, and any and all then-unvested portion of the Cash Award will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company; or

(ii) upon the occurrence of a Change in Control,

(A) to the extent the Cash Award is not assumed by the surviving entity in connection with such Change in Control, one-hundred percent (100%) of the Cash Award shall vest as of the date of such Change in Control and be settled pursuant to Section 5 hereof; or

(B) to the extent the Cash Award is assumed by the surviving entity in connection with such Change in Control, upon Participant's Termination of Service by the Company or an Affiliate without Cause or Participant's resignation for Good Reason within the period that is three months prior to or twelve (12) months following such Change in Control, one-hundred percent (100%) of the Cash Award shall vest as of the date of such Termination of Service (or, if later, the date of the Change in Control) and be settled pursuant to Section 5 hereof.

(c) For purposes of this Section 3:

(i) "**Good Reason**" shall mean the occurrence, without Participant's written consent, of: (A) a materially adverse change in Participant's reporting obligations; (B) a materially adverse diminution in Participant's employment duties, responsibilities or authority, or the assignment to Participant of duties that are materially and adversely inconsistent with his or her position; (C) any reduction in base salary other than any reduction of up to 20% that affects all officers of the Company; provided, that Participant may terminate his or her employment for Good Reason only if (x) within ninety (90) days of the date Participant has actual knowledge of the occurrence of an event of Good Reason, Participant provides written notice to the Company specifying such event, (y) the Company does not cure such event within sixty (60) days of such notice for other events and (z) Participant actually terminates his or her employment within thirty (30) business days of the end of such cure period.

4. [Reserved].

5. Settlement of Cash Awards. As soon as administratively practicable following the vesting of a portion of the Cash Award pursuant to Section 2 or Section 3, but in no event later than 30 days after such vesting date (or, solely with respect to any Cash Award that vests pursuant to Section 3 hereof, in no event later than thirty (30) days after the date of such Termination of Service or Change in Control, as applicable), the Company shall deliver to Participant an amount of cash equal to the amount of the Cash Award that vested. The value of a Cash Award shall not bear any interest owing to the passage of time. Neither this Section 5 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

6. Restrictive Covenants. Notwithstanding any provision in this Agreement or the Plan to the contrary, in the event the Committee determines that Participant has failed to abide by the provisions of any confidentiality, non-competition or non-solicitation covenant in any agreement by and between the Company or any Affiliate and Participant (including, without limitation, those set forth in Exhibit B), then any Cash Award that has not been settled as of the date of such determination will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

7. Tax Withholding. All amounts payable in connection with this Cash Award are subject to tax withholding under applicable law. Participant acknowledges that there may be

adverse tax consequences upon the receipt, vesting or settlement of this Cash Award and that Participant has been advised, and hereby is advised, to consult a tax advisor. Participant represents that Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

8. Employment Relationship. For purposes of this Agreement, Participant shall be considered to be employed by the Company or an Affiliate as long as Participant remains an employee of any of the Company, an Affiliate or a corporation or other entity (or a parent or subsidiary of such corporation or other entity) assuming or substituting a new award for this Cash Award.

9. Non-Transferability. During the lifetime of the Participant, the Cash Award may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution. Neither the Cash Award nor any interest or right therein shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

10. [Reserved].

11. [Reserved].

12. Execution of Receipts and Releases. Any issuance or payment of cash or other property to Participant or Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such Person hereunder. As a condition precedent to such payment, the Company may require Participant or Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to a vested Cash Award.

13. No Right to Continued Employment, Service or Cash Awards. Nothing in the adoption of the Plan, nor the award of the Cash Award thereunder pursuant to the Grant Notice and this Agreement, shall confer upon Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. Unless otherwise provided in a written employment agreement or by applicable law, Participant's employment by the Company, or any such Affiliate, or any other entity shall be on an at-will basis, and the employment relationship may be terminated at any time by either Participant or the Company, or any such Affiliate, or other entity for any reason whatsoever, with or without cause or notice. Any question as to whether and when there has been a termination of such employment, and the cause of such termination, shall

be determined by the Committee or its delegate, and such determination shall be final, conclusive and binding for all purposes. The grant of the Cash Award is a one-time benefit that was made at the sole discretion of the Company and does not create any contractual or other right to receive a grant of cash or other Cash Awards or any payment or benefits in the future, including any adjustment to wages, overtime, benefits or other compensation. Any future Cash Awards will be granted at the sole discretion of the Company.

14. Legal and Equitable Remedies. The Participant acknowledges that a violation or attempted breach of any of the Participant's covenants and agreements in this Agreement will cause such damage as will be irreparable, the exact amount of which would be difficult to ascertain and for which there will be no adequate remedy at law, and accordingly, the parties hereto agree that the Company and its Affiliates shall be entitled as a matter of right to an injunction issued by any court of competent jurisdiction, restraining the Participant or the affiliates, partners or agents of the Participant from such breach or attempted violation of such covenants and agreements, as well as to recover from the Participant any and all costs and expenses sustained or incurred by the Company or any Affiliate in obtaining such an injunction, including reasonable attorneys' fees. The parties to this Agreement agree that no bond or other security shall be required in connection with such injunction. Any exercise by either of the parties to this Agreement of its rights pursuant to this Section 14 shall be cumulative and in addition to any other remedies to which such party may be entitled.

15. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to Participant (or other holder):

BRC Inc.
attn.: General Counsel
3131 W. 2210 S., Suite C
West Valley City, Utah 84119

If to the Participant, at Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

16. Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements,

account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Cash Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which Participant has access. Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

17. Agreement to Furnish Information. Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

18. Entire Agreement; Amendment. This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby; provided, however, that (a) the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and Participant in effect as of the date a determination is to be made under this Agreement; and (b) the terms of Exhibit B are in addition to and complement (and do not replace or supersede) all other agreements and obligations between the Company or any Affiliate and the Participant with respect to confidentiality, non-disclosure, non-competition, non-solicitation, non-disparagement and other restrictive covenants. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially and adversely reduces the rights of Participant shall be effective only if it is in writing and signed by both Participant and an authorized officer of the Company.

19. Severability and Waiver. If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

20. Company Recoupment of Cash Awards. Participant's rights with respect to this Cash Award shall in all events be subject to (a) all rights that the Company may have under any Company recoupment policy or any other agreement or arrangement with the Participant, and (b) all rights and obligations that the Company may have regarding the clawback of "incentive-based compensation" under Section 10D of the Exchange Act and any applicable rules and regulations promulgated thereunder from time to time by the U.S. Securities and Exchange Commission, the

listing standards of any national securities exchange or association on which the Company's securities are listed, or any other Applicable Law.

21. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED THEREIN, EXCLUSIVE OF THE CONFLICT OF LAWS PROVISIONS OF DELAWARE LAW.

22. Successors and Assigns. The Company may assign any of its rights under this Agreement without Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon Participant and Participant's beneficiaries, executors, administrators and the Person(s) to whom the Cash Award may be transferred by will or the laws of descent or distribution.

23. Headings; References; Interpretation. Headings are for convenience only and are not deemed to be part of this Agreement. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references herein to Sections shall, unless the context requires a different construction, be deemed to be references to the Sections of this Agreement. The word "or" as used herein is not exclusive and is deemed to have the meaning "and/or." All references to "including" shall be construed as meaning "including without limitation." Unless the context requires otherwise, all references herein to a law, agreement, instrument or other document shall be deemed to refer to such law, agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

24. Counterparts. The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

25. Section 409A. The Plan, this Agreement and Cash Awards are intended to comply with or be exempt from the applicable requirements of Section 409A of the Code and shall be limited, construed, and interpreted in accordance with such intent. To the extent that any Cash Award is subject to Section 409A of the Code, it shall be paid in a manner that will comply with Section 409A of the Code, including proposed, temporary, or final regulations or any other guidance issued by the Secretary of the Treasury and the Internal Revenue Service with respect thereto. Notwithstanding anything herein to the contrary, any provision in the Plan or this

Agreement that is inconsistent with Section 409A of the Code shall be deemed to be amended to comply with or be exempt from Section 409A of the Code and, to the extent such provision cannot be amended to comply therewith or be exempt therefrom, such provision shall be null and void. Notwithstanding any contrary provision in the Plan or this Agreement, any payment(s) of “nonqualified deferred compensation” (within the meaning of Section 409A of the Code) that are otherwise required to be made under the Plan or this Agreement to a “specified employee” (as defined under Section 409A of the Code) as a result of such employee’s separation from service (other than a payment that is not subject to Section 409A of the Code) shall be delayed for the first six (6) months following such separation from service (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in this Agreement) upon expiration of such delay period. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the Cash Award provided under this Agreement is exempt from or compliant with Section 409A of the Code and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A of the Code.

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EXHIBIT B

Restrictive Covenants

1. Protection of Confidential Information.

(a) Non-Use and Non-Disclosure. Participant shall not, at any time during Participant's employment or engagement with the Company or any Affiliate or thereafter, or during the Prior Period, disclose or use any trade secret, proprietary or confidential information of the Company or any Affiliate of the Company (collectively, "**Confidential Information**") obtained or learned by Participant during the course of such employment or engagement or in any Prior Period, except for (i) disclosures and uses required in the course of such employment or engagement or with the prior written permission of the Company, (ii) disclosures with respect to any litigation, arbitration or mediation related to the enforcement of Participant's rights relating to the Company, or (iii) as may be required by law or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction to order such disclosure; provided, that, if, in any circumstance described in clause (iii), Participant receives notice that any third party shall seek to compel such a disclosure of any Confidential Information, Participant shall promptly notify the Company and provide reasonable cooperation to the Company (at the Company's sole expense) in seeking a protective order against such disclosure. Notwithstanding anything to the contrary in the foregoing, "Confidential Information" does not include information that is or becomes publicly known outside the Company or any of its subsidiaries other than due to a breach of Participant's obligations.

(b) Return of Information. At any time requested by the Company or upon termination of the Term, and regardless of the reasons therefore, Participant shall (i) immediately cease any further use of Confidential Information and (ii) deliver to the Company, any and all notes, files, memoranda, papers and, in general, any and all physical (including electronic) matter containing Confidential Information that are in Participant's possession or under Participant's control, except as otherwise consented in writing by the Company at the time of such termination.

(c) Defend Trade Secrets Act Notice. Notwithstanding the foregoing obligations of confidentiality, this agreement does not affect any rights or immunities of Participant under 18 USC §1833(b)(1) or (2) and, as such, Participant shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (a) in confidence to a federal, state, or local government official, or to an attorney, in each case solely for the purpose of reporting or investigating a suspected violation of law or (b) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. If Participant files a lawsuit for retaliation by the Company or its Subsidiaries for reporting a suspected violation of law, then Participant may disclose the trade secret to Participant's attorney and use the trade secret information in the court proceeding, if Participant (or an attorney on Participant's behalf) files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

2. Noncompetition, Noninterference, Nondisparagement and Cooperation.

(a) General. Participant agrees that Participant shall not, other than in carrying out Participant's duties for the Company, directly or indirectly, do any of the following: (i) during Participant's employment or engagement with the Company and its Subsidiaries and for a period of time equal to [twelve (12) months]¹ after any termination of such employment or engagement, render services in any capacity (including as an employee, director, member, consultant, partner, investor or independent contractor) to a Competing Business, (ii) during Participant's employment or engagement with the Company and its Subsidiaries and for a period of two (2) years after any termination of such employment or engagement, attempt to, or assist any other person in attempting to, employ, engage, retain or partner with, any person who is then, or at any time during the ninety (90) day-period prior thereto was, a director, officer or other executive or employee of the Company or an Affiliate, or encourage any such person or any consultant, agent or independent contractor of the Company or any Affiliate to terminate or adversely alter or modify such relationship with the Company or any Affiliate; provided, that this section (ii) shall not be violated by general advertising, general internet postings or other general solicitation in the ordinary course not specifically targeted at such persons, or (iii) during Participant's employment or engagement with the Company and its Subsidiaries and for a period of two (2) years after any termination of employment or engagement, solicit any then current customer or business partner of the Company or any Affiliate to terminate, alter or modify its relationship with the Company or the Affiliate or to interfere with the Company's or any Affiliate's relationships with any of its customers or business partners. During and after the Term, Participant shall not make any public statement that is intended to or would reasonably be expected to disparage the Company, its Affiliates or its or their directors, officers, employees, the Business or products other than as required in the good faith discharge of Participant's duties. Notwithstanding the foregoing, nothing in this Section 2(a) shall prevent Participant making any truthful statement to the extent required by law. Nothing herein is intended to or will be used in any way to limit Participant's rights to communicate with a government agency, as provided for, protected under or warranted by applicable law. Nothing contained herein shall prevent Participant from acquiring, solely as an investment, any publicly-traded securities of any person so long as he remains a passive investor in such person and does not own more than one percent (1%) of the outstanding securities thereof.

(b) Cooperation. Participant agrees to reasonably cooperate with the Company and its attorneys, both during and after the termination of Participant's employment or engagement, in connection with any litigation or other internal or external proceeding arising out of or relating to matters in which Participant was involved prior to the termination of Participant's employment or engagement so long as such cooperation does not materially interfere with Participant's employment or engagement.

3. Enforcement. Participant acknowledges and agrees that: (i) the purpose of the covenants set forth in Sections 1 and 2 above (the "**Restrictive Covenants**") is to protect the goodwill, trade secrets and other confidential information of the Company; (ii) because of the nature of the business in which the Company is engaged and because of the nature of the Confidential Information to which Participant has access, it would be impractical and excessively

¹ Restricted Period may be adjusted by the Compensation Committee based on position level.

difficult to determine the actual damages of the Company in the event Participant breached any such covenants; and (iii) remedies at law (such as monetary damages) for any breach of Participant's obligations under the Restrictive Covenants would be inadequate. Participant therefore agrees and consents that if Participant commits any breach of a Restrictive Covenant, the Company shall have the right (in addition to, and not in lieu of, any other right or remedy that may be available to it) to temporary and permanent injunctive relief from a court of competent jurisdiction, without posting any bond or other security and without the necessity of proof of actual damage. If any portion of the Restrictive Covenants is hereafter determined to be invalid or unenforceable in any respect, such determination shall not affect the remainder thereof, which shall be given the maximum effect possible and shall be fully enforced, without regard to the invalid portions. In particular, without limiting the generality of the foregoing, if the covenants set forth in Section 2 are found by a court or an arbitrator to be unreasonable, Participant and the Company agree that the maximum period, scope or geographical area that is found to be reasonable shall be substituted for the stated period, scope or area, and that the court or arbitrator shall revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. If any of the Restrictive Covenants are determined to be wholly or partially unenforceable in any jurisdiction, such determination shall not be a bar to or in any way diminish the Company's right to enforce any such covenant in any other jurisdiction.

4. Intellectual Property.

(a) Ownership of Company IP. All Work Product created, invented, or developed by the Participant, either during the Prior Period or during the Term, whether solely or jointly with others, and that (i) relates to the Business, (ii) is or was developed using any resources or equipment of or provided by the Company or its Affiliates, or (iii) is or was created within the scope of Participant's employment by the Company, and all Intellectual Property in any of the foregoing, is the sole and exclusive property of the Company (collectively, the "**Company IP**"). Participant hereby acknowledges and agrees that the Company IP is intended to be a work made for hire under the U.S. Copyright Act of 1976, as amended, of which the Company is the owner. To the extent the Company IP is not, or is deemed not to be, a work made for hire, Participant hereby irrevocably assigns to the Company all of Participant's right, title and interest in and to the Company IP, and Participant hereby waives all moral rights or other rights with respect to attribution of authorship or integrity related to any and all Company IP. Except as set forth in Section 4(c), Participant shall have no right to use any Company IP without the prior written consent of Company.

(b) Participant IP. Participant represents and warrants that as of the date hereof, there is no Work Product (or Intellectual Property therein) that: (i) has been created by or on behalf of Participant (either solely or jointly with others) or (ii) is owned exclusively by Participant or jointly by Participant with others and that both (x) relate to the Business and (y) are not assigned to the Company under this agreement ("**Participant IP**"). Notwithstanding the foregoing, if Participant uses with or incorporates into any Company IP or Company-Owned Social Media Post any Participant IP, or any other Intellectual Property that does not constitute Company IP, then Participant hereby grants to the Company a perpetual, irrevocable, nonexclusive, fully paid-up, royalty-free, sublicenseable (through multiple tiers), worldwide license under all such Intellectual Property to make, have made, use, sell, offer for sale, import, export, copy, publish, perform, make

derivative works of, distribute, improve, modify, and otherwise exploit such Intellectual Property in connection with the Business (including any product or service thereof).

(c) Licenses to Participant.

(i) Subject to Section 4(c)(iii), the Company hereby grants to Participant a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free, fully paid-up license, solely during the Term, to use, copy, distribute, create derivative works of, perform, and display Content included in the Company IP or provided to Participant by the Company in connection with making Social Media Posts on Participant Social Media Channels.

(ii) Subject to Sections 4(c)(iii) and 4(c)(iv), the Company hereby grants to Participant a non-exclusive, non-transferable, non-sublicenseable, worldwide, royalty-free, fully paid-up license, solely during the Term, to use the Company Marks in connection with making Social Media Posts on Participant Social Media Channels. All goodwill arising from Participant's use of the Company Marks will inure exclusively to the benefit of the Company.

(iii) The Company may, at any time and in its sole discretion, require Participant to modify or remove any Company Social Media Post from Participant Social Media Channels, and Participant shall promptly (and in any event in no more than three business days) comply with such request.

(iv) Participant shall comply with all branding and quality guidelines and other instructions regarding the use of the Company Marks provided by the Company to Participant, and shall remove any Company Mark from a Social Media Post immediately upon the request of the Company.

(d) Licenses to the Company. Participant hereby grants to the Company an exclusive, worldwide, royalty-free, fully paid-up, sublicenseable (through multiple tiers), transferable, perpetual, irrevocable license to use, display, publish, copy, reproduce, distribute, and otherwise exploit in any form or media (whether now existing, known, or later developed) the Publicity Rights of Participant in connection with the conduct and promotion of the Business (including during the Prior Period), including all products and services of the Business. To the extent that Participant may not grant the foregoing license under applicable law, Participant hereby irrevocably releases, waives, acquits, and forever discharges the Company and its Affiliates and its and their past and present directors, officers, partners, agents, employees, successors, and assigns from any and all known or unknown claims, causes of action, or demands whatsoever in law or in equity that Participant ever had, now has, or hereafter may acquire against any such parties based on, or arising out of, in whole or in part, the Company's or its Affiliate's use of any of Participant's Publicity Rights in connection with the conduct and promotion of the Business (including all products and services of the Business, and including during the Prior Period), and covenants not to use Participant's Publicity Rights in connection with any Competing Business during the Term or thereafter. Notwithstanding anything to the contrary in the foregoing, nothing contained in this agreement will require the Company to exercise or exploit any of its rights relating to Participant's Publicity Rights.

(e) Social Media Posts.

(i) Participant is the owner of all Participant Social Media Channels and the Social Media Posts made by or on behalf of Participant to an Participant Social Media Channel during the Prior Period or the Term to the extent that such Social Media Posts are unrelated to the Business and do not include, contain, incorporate, or reference any Company Mark, Company IP, or other Intellectual Property or Content owned or controlled by the Company (“**Participant Social Media Posts**”). For clarity, Participant Social Media Posts expressly exclude any Content that includes, contains, incorporates, or references Company Marks, Company IP, or other Intellectual Property or Content owned or controlled by the Company or its Affiliates, all of which are owned, as between Participant and the Company, exclusively by the Company or its Affiliates.

(ii) The Company is the owner of all Social Media Posts made by or on behalf of Participant to a Social Media Channel (and all Content and Intellectual Property rights therein) to the extent such Social Media Post includes, contains, incorporates, or references any Company IP, any Company Marks, or any other Intellectual Property or Content owned or controlled by the Company or its Affiliates (collectively, the “**Company-Owned Social Media Posts**”). To the extent Participant has or obtains any rights in the Company-Owned Social Media Posts, Participant hereby assigns to the Company all of Participant’s right, title, and interest in and to such Company-Owned Social Media Posts.

(iii) Participant hereby grants to the Company a non-exclusive, worldwide, royalty-free, fully paid-up, sublicenseable (through multiple tiers), transferable, perpetual, irrevocable license to use, display, publish, copy, reproduce, distribute, and otherwise exploit in any form or media (whether now existing, known, or later developed) all Company Social Media Posts that do not constitute Company-Owned Social Media Posts (including in such license all rights to the Content and Intellectual Property therein).

(iv) The Company shall be responsible for ensuring that Content (including product statements) that Company provides Participant for inclusion in Social Media Posts made to an Participant Social Media Channel, and instructions that Company provides Participant with respect to making such Social Media Posts (if any), are compliant with applicable laws. Subject to the foregoing, Participant shall be responsible for ensuring that that all Company Social Media Posts made by or on behalf of Participant to any Social Media Channel are made in compliance with all applicable laws. Without limiting the foregoing, Participant shall comply with the FTC’s Enforcement Policy Statement on Deceptively Formatted Advertisements and the FTC’s Native Advertising: A Guide for Business, and any other applicable regulations, rules, or standards relating to the promotion of products or services on Social Media Channels, or that are otherwise applicable to the Company Social Media Posts on any Participant Social Media Channel, or that are otherwise made by or on behalf of Participant to any Social Media Channel. Promptly upon the request of the Company or the termination of the Term (but in

no event more than five business days following either event), Participant shall deliver to the Company all tangible embodiments of Company-Owned Social Media Posts and Company Social Media Posts existing on any Participant Social Media Channel, or that have otherwise been made by or on behalf of Participant to any Social Media Channel. Upon the termination of the Term for any reason, Participant shall immediately cease making any Social Media Posts on any Social Media Channels, including Participant Social Media Channels, that would be a Company Social Media Post hereunder (except, and only to the extent, Participant and Company agree otherwise in writing).

(v) Immediately upon the termination of the Term by the Company for cause (as determined by the Company), Participant shall remove all Company Social Media Posts from all Participant Social Media Channels, and shall cause the removal of all Company Social Media Posts made by or on behalf of Participant to any other Social Media Channel.

(f) Further Assurances. Participant shall assist the Company, or its designee, at Company's expense, in every reasonable way in connection with securing the Company's rights in the Company IP and the Company-Owned Social Media Posts, including executing or causing to be executed all documents reasonably requested by the Company. Participant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Participant's agent and attorney-in-fact, which is a right coupled with an interest, to act for and in Participant's behalf and stead to execute and file any such instruments and papers and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance or transfer of any Company IP or Company-Owned Social Media Posts.

5. Definitions. For purposes of this Exhibit B, the following definitions shall apply:

(a) "**Affiliate**" means a person or other entity that directly or indirectly controls, is controlled by, or is under common control with the Company.

(b) "**Business**" means the business of sourcing, processing, manufacturing, packaging, distributing, marketing and selling any Covered Product, and related merchandise and apparel, and designing, owning, operating, licensing and franchising coffee-based retail establishments, or any activities, services or products incidental or attendant thereto, including media enterprises based on persons associated with the Company or any of its Subsidiaries, Company values, and such business.

(c) "**Company Marks**" means any Trademarks owned or controlled by the Company or its Affiliates.

(d) "**Company Social Medial Channel**" means any Social Medial Channel created by, or owned or controlled by, the Company or its Affiliates, or that includes all or any part of any Company Mark in the username (or similar name or social media handle) or other identifying label or designation associated with such Social Medial Channel.

(e) “**Company Social Media Post**” means any Social Media Post that (a) includes, contains, incorporates, or references any Company Mark, Company IP, any other Intellectual Property or Content owned or controlled by the Company or its Affiliates or (b) that a reasonable Person would associate with the Company, its Affiliates or the Business.

(f) “**Competing Business**” means any business that competes with the Business or has taken material steps in preparation to compete with the Business.

(g) “**Content**” means any work of authorship, content, or material, including written works of any kind or nature, photographs, images, negatives, films, outtakes, B-Roll, pictures, drawings, renderings, video recordings, audio recordings, audio-visual works, and digital images.

(h) “**Covered Product**” means coffee (including in a beverage format, ground, whole bean, and “pod” formats) or any other beverage of the type the Company or its Subsidiaries, directly or indirectly, produce, distribute, sell or market or have taken material steps to do any of the foregoing.

(i) “**Participant Social Medial Channels**” means any Social Media Channel owned or controlled by Participant or Participant’s immediate family member and that is not a Company Social Media Channel.

(j) “**Intellectual Property**” means all intellectual property rights of any kind or nature, including (a) trademarks, service marks, domain names, trade dress, corporate names, brand names, trade names, and other indicia of source or origin, and all registrations, applications and renewals relating thereto or in connection therewith (including, in each case, the goodwill associated therewith) (“**Trademarks**”), (b) patents and patent applications, (c) copyrights, copyrightable works, and all applications and registrations therefor, (d) trade secrets, (e) rights in Content, Work Product, and Social Media Posts, and (f) all rights to sue for past, present, and future infringement of any of the foregoing.

(k) “**Prior Period**” means any prior period during which (a) Participant was employed by the Company or any of its Affiliates or Subsidiaries (including any predecessors thereof) or (b) Participant was engaged in work, activities, services, or efforts on behalf of the Company or the Business prior to the formation of the Company or any of its Subsidiaries or Affiliates (including any predecessors thereof).

(l) “**Publicity Rights**” means the name, voice, likeness, signature, photograph, video, biographical data, and other elements or attributes of an individual’s persona, identity, or personality, and any other rights of a similar nature protectable under applicable law.

(m) “**Social Media Channel**” means any website, application, or other medium now known or hereafter devised that enables individuals to create or share Content or participate in social networking, including, but not limited to, YouTube, Facebook, Instagram, Twitter, TikTok, and Snapchat.

(n) “**Social Media Post**” means the making available of Content on any Social Media Channel in any manner permitted by such Social Media Channel, regardless of the amount of time such Content is made available on the Social Media Channel.

(o) “**Subsidiary**” of the Company shall mean any corporation of which the Company owns, directly or indirectly, more than fifty percent (50%) of the voting stock.

(p) “**Term**” means any current or future period during which (a) Participant is employed by the Company or any of its Affiliates or Subsidiaries (including any predecessors thereof) or (b) Participant is engaged in work, activities, services, or efforts on behalf of the Company or the Business.

(q) “**Work Product**” means all discoveries, developments, concepts, designs, ideas, know-how, modifications, improvements, derivative works, inventions, trade secrets, Trademarks, or Content, in each case whether or not patentable, copyrightable or otherwise legally protectable.

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**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher Mondzelewski, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BRC Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2026

/s/ Christopher Mondzelewski

Christopher Mondzelewski
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Amigh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BRC Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2026

/s/ Matthew Amigh

Matthew Amigh
Chief Financial Officer
(Principal Financial Officer)

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

In connection with the Quarterly Report on Form 10-Q of BRC Inc. (the "Company") for the quarter ended March 31, 2026 (as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report")), I, Christopher Mondzelewski, Chief Executive Officer (Principal Executive Officer) of the Company, 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 Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2026

/s/ Christopher Mondzelewski

Christopher Mondzelewski
Chief Executive Officer
(Principal Executive Officer)

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

In connection with the Quarterly Report on Form 10-Q of BRC Inc. (the "Company") for the quarter ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Quarterly Report"), I, Matthew Amigh, Chief Financial Officer (Principal Financial Officer) of the Company, 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 Quarterly Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2026

/s/ Matthew Amigh

Matthew Amigh
Chief Financial Officer
(Principal Financial Officer)