# 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 June 30, 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** | **87-3277812** |
| (State or other jurisdiction of incorporation or organization) | (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 | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☒ |
| | | Emerging growth company | ☒ |

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

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

As of July 29, 2026, the registrant had (i) 119,819,977 shares of Class A common stock, par value $0.0001 per share (the "Class A Common Stock") and, (ii) 130,467,486 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, as well as 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;
- Volatility in the trading prices of our Class A Common Stock; 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)***

| | June 30, 2026 (unaudited) | December 31, 2025 (audited) |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 12,029 | $ 4,330 |
| Accounts receivable, net | 32,890 | 35,057 |
| Inventories, net | 45,640 | 49,703 |
| Prepaid expenses and other current assets | 13,437 | 11,235 |
| Total current assets | 103,996 | 100,325 |
| Property, plant, and equipment, net | 39,779 | 42,855 |
| Operating lease, right-of-use asset | 20,171 | 21,205 |
| Non-current prepaid marketing expenses | 41,651 | 44,432 |
| Identifiable intangibles, net | 270 | 300 |
| Other | 125 | 126 |
| Total assets | $ 205,992 | $ 209,243 |
| **Liabilities and stockholders' equity** | | |
| Current liabilities: | | |
| Accounts payable | $ 36,052 | $ 34,721 |
| Accrued liabilities | 29,691 | 32,455 |
| Deferred revenue and gift card liability | 2,902 | 4,033 |
| Current maturities of long-term debt | 2,000 | 2,400 |
| Current operating lease liability | 2,527 | 2,481 |
| Current maturities of finance lease obligations | 4 | 4 |
| Total current liabilities | 73,176 | 76,094 |
| Non-current liabilities: | | |
| Long-term debt, net | 29,609 | 32,313 |
| Finance lease obligations, net of current maturities | 13 | 15 |
| Operating lease liability | 23,548 | 24,822 |
| Other non-current liabilities | 6,281 | 7,982 |
| Total non-current liabilities | 59,451 | 65,132 |
| Total liabilities | 132,627 | 141,226 |
| Commitments and Contingencies (Note 8) | | |
| Stockholders' equity: | | |
| Preferred Stock, $ 0.0001 par value, 1,000,000 shares authorized; no shares issued or outstanding as of both June 30, 2026 and December 31, 2025 | — | — |
| Class A Common Stock, $ 0.0001 par value, 2,500,000,000 shares authorized; 119,645,947 and 114,860,676 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively | 12 | 11 |
| Class B Common Stock, $ 0.0001 par value, 300,000,000 shares authorized; 130,467,486 and 133,694,869 shares issued and outstanding as of June 30, 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 June 30, 2026 and December 31, 2025 | — | — |
| Additional paid in capital | 183,761 | 180,973 |
| Accumulated deficit | (135,462) | (135,344) |
| Total BRC Inc.'s stockholders' equity | 48,324 | 45,653 |
| Non-controlling interests | 25,041 | 22,364 |
| Total stockholders' equity | 73,365 | 68,017 |
| Total liabilities and stockholders' equity | $ 205,992 | $ 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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| **Revenue, net** | $ 107,020 | $ 94,837 | $ 216,247 | $ 184,812 |
| **Cost of goods sold** | 70,537 | 62,664 | 143,676 | 120,165 |
| Gross profit | 36,483 | 32,173 | 72,571 | 64,647 |
| **Operating expenses** | | | | |
| Marketing and advertising | 10,530 | 9,770 | 20,710 | 21,092 |
| Salaries, wages, and benefits | 15,468 | 15,791 | 29,577 | 29,354 |
| General and administrative | 9,271 | 14,311 | 19,369 | 26,099 |
| Other operating expense, net | 113 | 4,925 | 495 | 6,158 |
| Total operating expenses | 35,382 | 44,797 | 70,151 | 82,703 |
| **Operating income (loss)** | 1,101 | (12,624) | 2,420 | (18,056) |
| **Non-operating expenses** | | | | |
| Interest expense, net | (1,254) | (1,844) | (2,494) | (4,213) |
| Total non-operating expenses | (1,254) | (1,844) | (2,494) | (4,213) |
| **Loss before income taxes** | (153) | (14,468) | (74) | (22,269) |
| Income tax expense | 33 | 44 | 66 | 88 |
| **Net loss** | (186) | (14,512) | (140) | (22,357) |
| Less: Net loss attributable to non-controlling interest | (83) | (9,183) | (22) | (14,141) |
| **Net loss attributable to BRC Inc.** | $ (103) | $ (5,329) | $ (118) | $ (8,216) |
| | | | | |
| **Net loss per share attributable to Class A Common Stock** | | | | |
| Basic and diluted | $ 0.00 | $ (0.07) | $ 0.00 | $ (0.10) |
| **Weighted-average shares of Class A Common Stock outstanding** | | | | |
| Basic and diluted | 117,827,656 | 79,146,003 | 116,619,198 | 78,780,708 |

*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 | Class A Common Stock | Class B Common Stock | Class C Common Stock | Additional Paid-In Capital | Accumulated Deficit | Non-Controlling Interest | Total Stockholders' Equity |
| **Balance as of 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 as of March 31, 2026** | 116,480,011 | 132,645,046 | — | $ 12 | $ 13 | $ — | $ 182,138 | $ (135,359) | $ 23,902 | $ 70,706 |
| Equity-based compensation | — | — | — | — | — | — | 1,137 | — | 1,831 | 2,968 |
| Common Unit redemption | 2,177,560 | (2,177,560) | — | — | — | — | 609 | — | (609) | — |
| Vesting of stock awards, net of shares withheld for taxes | 988,376 | — | — | — | — | — | (123) | — | — | (123) |
| Net loss | — | — | — | — | — | — | — | (103) | (83) | (186) |
| **Balance as of June 30, 2026** | 119,645,947 | 130,467,486 | — | $ 12 | $ 13 | $ — | $ 183,761 | $ (135,462) | $ 25,041 | $ 73,365 |

| | Shares | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Class A Common Stock | Class B Common Stock | Class C Common Stock | Class A Common Stock | Class B Common Stock | Class C Common Stock | Additional Paid-In Capital | Accumulated Deficit | Non-Controlling Interest | Total Stockholders' Equity |
| **Balance as of 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 as of March 31, 2025** | 78,609,684 | 134,536,464 | — | $ 8 | $ 13 | $ — | $ 137,470 | $ (126,318) | $ 33,012 | $ 44,185 |
| Equity-based compensation | — | — | — | — | — | — | 1,000 | — | 1,740 | 2,740 |
| Common Unit redemption | 109,603 | (109,603) | — | — | — | — | 20 | — | (20) | — |
| Shares issued upon settlement agreement | 2,300,100 | — | — | — | — | — | 3,367 | — | — | 3,367 |
| Vesting of stock awards, net of shares withheld for taxes | 335,969 | — | — | — | — | — | (130) | — | — | (130) |
| Net loss | — | — | — | — | — | — | — | (5,329) | (9,183) | (14,512) |
| **Balance as of June 30, 2025** | 81,355,356 | 134,426,861 | — | $ 8 | $ 13 | $ — | $ 141,727 | $ (131,647) | $ 25,549 | $ 35,650 |

*See accompanying notes to consolidated financial statements.*

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

| | Six Months Ended June 30, | |
|---|---|---|
| | **2026** | **2025** |
| **Operating activities** | | |
| Net loss | $ (140) | $ (22,357) |
| Adjustments to reconcile net loss to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 4,180 | 6,536 |
| Equity-based compensation | 5,702 | 5,331 |
| Amortization of debt issuance costs | 546 | 536 |
| Loss on disposal of assets | — | 839 |
| Paid-in-kind interest | — | 1,155 |
| Other | 30 | 423 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable, net | 2,137 | 3,967 |
| Inventories, net | 4,023 | (6,341) |
| Prepaid expenses and other assets | 1,653 | (1,595) |
| Accounts payable | 1,328 | (3,590) |
| Accrued liabilities | (2,764) | 10,067 |
| Deferred revenue and gift card liability | (1,131) | (148) |
| Operating lease liability | (1,228) | (1,285) |
| Other liabilities | (1,701) | (1,002) |
| Net cash provided by (used in) operating activities | 12,635 | (7,464) |
| **Investing activities** | | |
| Purchases of property, plant, and equipment | (1,093) | (2,147) |
| Proceeds from sale of property and equipment | 23 | — |
| Net cash used in investing activities | (1,070) | (2,147) |
| **Financing activities** | | |
| Proceeds from ABL Facility | 26,500 | 197,457 |
| Debt issuance costs paid | — | (225) |
| Repayment of long-term debt | (29,750) | (190,932) |
| Financing lease obligations | (2) | 11 |
| Repayment of promissory note | (400) | (400) |
| Tax withholdings on vested Restricted Stock Units | (273) | — |
| Issuance of stock from the Employee Stock Purchase Plan | 59 | 194 |
| Proceeds received for settlement agreement | — | 1,000 |
| Net cash provided by (used in) financing activities | (3,866) | 7,105 |
| Net increase (decrease) in cash, cash equivalents | 7,699 | (2,506) |
| Cash and cash equivalents, beginning of period | 4,330 | 6,810 |
| Cash and cash equivalents, end of period | $ 12,029 | $ 4,304 |
| **Supplemental cash flow disclosures** | | |
| Recognition of revenue for inventory exchanged for prepaid advertising | $ (40) | $ 406 |
| Increase in insurance receivables as a result of legal settlement | — | 2,500 |
| Property and equipment purchased but not yet paid | 35 | (4) |
| Cash paid for income taxes | 133 | 334 |
| Cash paid for interest | 2,170 | 1,822 |

*See accompanying notes to consolidated financial statements.*

**BRC Inc.**

**INDEX FOR NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**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.

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

***Basis of Presentation***

We have 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 our financial position and operating results. 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 our Annual Report on Form 10-K filed with the SEC on March 2, 2026.

***Consolidation***

We consolidate our wholly-owned subsidiaries, as well as Authentic Brands, LLC ("Authentic Brands"), a subsidiary of which we own38.3% and 36.8% as of June 30, 2026 and December 31, 2025, respectively. The remaining ownership interests of Authentic Brands, held by holders other than us, are reflected as non-controlling interests in our 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***

We report operations as one reportable segment and manage the business as a single-brand consumer products business. This is supported by our 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.

Our chief operating decision maker ("CODM") has been identified as our Chief Executive Officer, who assesses the Company's performance by reviewing consolidated gross profit, as shown in our consolidated statements of operations, and comparing actual to budgeted results in order to make decisions about the allocation of our resources. The significant expense categories also regularly reviewed by the CODM include marketing and advertising expense, as well as salaries, wages and benefits, each of which is presented individually in the consolidated statements of operations. Segment asset information is not disclosed, as total asset information is not regularly provided to the CODM for purposes of assessing performance or allocating resources.

***Fair Value Measurements***

Our 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, or the PNC Base Rate, as defined in the respective borrowing agreement, plus an applicable floating margin. In measuring fair value, we reflect the impact of credit risk on liabilities, as well as any collateral. We also consider the credit standing of counterparties in measuring the fair value of assets.

We use 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.

We follow the provisions of Accounting Standards Codification ("ASC") 820, *Fair Value Measurement* 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. We use observable inputs in our valuation techniques and classify 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. Our 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 June 30, 2026, we had no Level 3 financial assets or liabilities.

***Comprehensive Income (Loss)***

We have 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

Our credit facilities and related balances were as follows (*dollars in thousands*):

| | June 30, 2026 (unaudited) | December 31, 2025 (audited) |
|---|---|---|
| Term Loan Facility | $ 35,430 | $ 36,680 |
| ABL Facility | — | 2,000 |
| Notes payable | — | 400 |
| Total principal | 35,430 | 39,080 |
| Less: debt issuance costs and original issue discount | (3,821) | (4,367) |
| Total debt, net | 31,609 | 34,713 |
| Less: current maturities of long-term debt | (2,000) | (2,400) |
| Long-term debt, net | $ 29,609 | $ 32,313 |

Future contractual maturities of credit facilities (not including debt issuance costs) as of June 30, 2026 are as follows (*dollars in thousands, unaudited*):

| | |
|---|---|
| Remainder of 2026 | $ 1,000 |
| 2027 | 2,000 |
| 2028 | 2,000 |
| 2029 | 30,430 |
| 2030 | — |
| Total | $ 35,430 |

***ABL Facility and Term Loan Facility***

We have 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 as of June 30, 2026) (the "ABL Facility"), which matures on December 27, 2029. Amounts available for advances under the ABL Facility are 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. As of June 30, 2026, the available borrowing capacity under the ABL Facility was approximately $50,352.

We also have senior secured term loans with an aggregate principal amount of $40,000 (the "Term Loan Facility"), which matures on December 27, 2029.

***Note Payable***

The final payment of $400 was made towards our note payable to a former employee in the first quarter of 2026.

## 3. Supplemental Balance Sheet Information

***Accounts Receivable, Net***

*Allowances*

The allowance for sales returns and charge backs was $342 and $756 as of June 30, 2026 and December 31, 2025, respectively, and included in "Accounts receivable, net" on the consolidated balance sheets.

The allowance for credit losses was $132 and $350 as of June 30, 2026 and December 31, 2025, respectively.

*Concentrations of Credit Risk*

Our 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. We monitor the financial condition of the financial institutions in which our accounts are maintained and have not experienced any losses in such accounts. Our accounts receivable are spread over a number of customers, of which one customer and its affiliate accounted for 33% and 37% of total outstanding receivables as of June 30, 2026 and December 31, 2025, respectively. We perform ongoing credit evaluations as to the financial condition of our customers and creditors with respect to trade accounts.

***Inventories, Net***

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

| | June 30, 2026 (unaudited) | December 31, 2025 (audited) |
|---|---|---|
| Coffee and Energy: | | |
| Unroasted | $ 2,255 | $ 3,519 |
| Finished Goods | 25,123 | 20,144 |
| RTD, raw materials | 351 | 3,935 |
| RTD, finished goods | 15,322 | 17,943 |
| Apparel and other merchandise | 2,589 | 4,162 |
| Total inventories, net | $ 45,640 | $ 49,703 |

The reserve for excess and obsolete inventory was $1,132 and $2,899 as of June 30, 2026 and December 31, 2025, respectively.

***Other Assets***

As of June 30, 2026 and December 31, 2025, we reported $47,531 and $50,312 of other assets on the consolidated balance sheets, respectively, related to prepaid advertising credits received in exchange for inventory. We 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 we expect to use these advertising credits, $5,880 of these credits were current as of both June 30, 2026 and December 31, 2025, and have been recorded as "Prepaid expenses and other current assets" on the consolidated balance sheets, and $41,651 and $44,432 were non-current as of June 30, 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 inventory. The revenue recognized related to shipments of inventory in exchange for prepaid advertising credits was insignificant for both the three and six months ended June 30, 2026 and $406 for both the three and six months ended June 30, 2025 on the consolidated statements of operations.

The following table summarizes the utilization of prepaid advertising credits (*dollars in thousands, unaudited*):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Prepaid advertising credits utilized | $ 1,271 | $ 1,375 | $ 2,741 | $ 2,291 |

***Property, Plant, and Equipment, Net***

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

| | June 30, 2026 (unaudited) | December 31, 2025 (audited) |
|---|---|---|
| Building and leasehold improvements | $ 24,263 | $ 24,216 |
| Machinery and equipment | 19,845 | 19,694 |
| Computer equipment and software | 15,327 | 19,927 |
| Furniture and fixtures | 2,887 | 2,887 |
| Land | 110 | 110 |
| Vehicles | 809 | 809 |
| Construction in progress | 7,491 | 8,584 |
| Property, plant, and equipment, gross | 70,732 | 76,227 |
| Less: accumulated depreciation and amortization | (30,953) | (33,372) |
| Total property, plant, and equipment, net | $ 39,779 | $ 42,855 |

The following table summarizes the depreciation expense for internal use software recognized in general and administrative expense within the consolidated statements of operations (*dollars in thousands, unaudited*):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Depreciation expense for internal use software | $ 856 | $ 2,725 | $ 1,842 | $ 4,059 |

***Accrued Liabilities***

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

| | June 30, 2026 (unaudited) | December 31, 2025 (audited) |
|---|---|---|
| Accrued compensation and benefits | $ 6,038 | $ 5,919 |
| Accrued trade | 3,791 | 2,587 |
| Accrued inventory purchases | 1,995 | 843 |
| Accrued freight | 1,743 | 4,333 |
| Accrued software contracts | 2,081 | 4,024 |
| Accrued professional fees | 2,286 | 2,761 |
| Deferred purchase incentive | 2,506 | 2,506 |
| Accrued marketing | 3,179 | 2,330 |
| Accrued donations | 1,327 | 1,709 |
| Accrued sales and other taxes | 941 | 1,137 |
| Other accrued expenses | 3,804 | 4,306 |
| Total accrued liabilities | $ 29,691 | $ 32,455 |

*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 as of June 30, 2026 based upon the amount expected to be recognized in the next twelve months, while $5,944 is classified as long-term and is recorded in “Other non-current liabilities” on our consolidated balance sheets as of June 30, 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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Balance as of beginning of period | $ 3,285 | $ 3,814 | $ 4,033 | $ 3,918 |
| Sales of gift cards | 130 | 108 | 258 | 433 |
| Redemption of gift cards | (84) | (157) | (237) | (552) |
| Increase from deferral of revenue | 1,404 | 1,738 | 1,404 | 1,738 |
| Decrease from revenue recognition | (1,870) | (1,760) | (2,521) | (1,784) |
| Loyalty Program points earned | 158 | 342 | 437 | 660 |
| Loyalty Program points redeemed/expired | (121) | (315) | (472) | (643) |
| Balance as of end of period | $ 2,902 | $ 3,770 | $ 2,902 | $ 3,770 |

**4. Revenue, Net**

We disaggregate 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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Wholesale | $ 70,623 | $ 61,316 | $ 145,325 | $ 118,107 |
| DTC | 31,400 | 27,640 | 61,120 | 55,361 |
| Outpost | 4,997 | 5,881 | 9,802 | 11,344 |
| Total net sales | $ 107,020 | $ 94,837 | $ 216,247 | $ 184,812 |

We have one customer and its affiliate accounting for more than 10% of our revenue for each period presented in our consolidated statements of operations.The following table summarizes the percentage of our total revenue related to this customer and its affiliate (*unaudited*):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Revenue from customer and its affiliate | 29 % | 26 % | 31 % | 29 % |

## 5. Equity-Based Compensation

***Stock Options***

The following table summarizes information about stock options activities for the six months ended June 30, 2026 and 2025:

| | Stock Options | Weighted Average Exercise Price |
|---|---|---|
| Outstanding as of January 1, 2026 | 8,684,387 | $ 2.82 |
| Forfeited | (205,613) | 3.15 |
| Outstanding as of June 30, 2026 | 8,478,774 | $ 2.81 |
| Vested and exercisable as of June 30, 2026 | 1,823,350 | $ 2.63 |
| | | |
| Outstanding as of January 1, 2025 | 5,424,411 | $ 4.41 |
| Granted | 3,760,948 | 2.16 |
| Forfeited | (1,189,691) | 3.44 |
| Outstanding as of June 30, 2025 | 7,995,668 | $ 3.49 |
| Vested and exercisable as of June 30, 2025 | 1,029,129 | $ 4.55 |

The total unrecognized equity compensation expense related to stock options to be recognized was $3,945 and $8,255, respectively, over a weighted average period of approximately one year and two years, as of June 30, 2026 and 2025, respectively.

***Restricted Stock Units***

The following table summarizes information about the restricted stock units ("RSUs") under the 2022 Omnibus Incentive Plan (the "Omnibus Plan") for the six months ended June 30, 2026 and 2025:

| | Restricted Stock Units | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding as of January 1, 2026 | 4,629,764 | $ 2.23 |
| Granted | 4,988,429 | 0.89 |
| Forfeited | (435,953) | 1.57 |
| Vested | (1,754,732) | 2.30 |
| Outstanding as of June 30, 2026 | 7,427,508 | $ 1.34 |
| | | |
| Outstanding as of January 1, 2025 | 2,232,952 | $ 4.51 |
| Granted | 3,808,610 | 1.98 |
| Forfeited | (867,187) | 3.12 |
| Vested | (715,258) | 5.12 |
| Outstanding as of June 30, 2025 | 4,459,117 | $ 2.52 |

The total unrecognized equity compensation expense related to RSUs to be recognized was $7,799 and $9,195, respectively, over a weighted average period of approximately two years, as of June 30, 2026 and 2025.

***Performance-Based Restricted Stock Units***

In addition to the performance-based restricted stock units ("PSUs") granted to a key employee in 2022, beginning in the first quarter of 2026, we 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 our 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 our Class A Common Stock.

The grant date estimated fair values of PSUs issued in 2026 were based upon a Monte Carlo Simulation as of the grant date, which considered our stock price as of the grant date and utilized the following assumptions:

| | |
|---|---|
| Expected dividend | $— |
| Expected volatility | 73.77% |
| Risk-free interest rate | 3.49% |

The following table summarizes information about the PSUs granted in 2026 under the Omnibus Plan for the six months ended June 30, 2026:

| | PSUs | Weighted Average Grant Date Fair Value |
|---|---|---|
| Outstanding as of January 1, 2026 | — | $ — |
| Granted | 2,386,165 | 1.25 |
| Forfeited | (113,402) | 1.22 |
| Outstanding as of June 30, 2026 | 2,272,763 | $ 1.25 |

Additionally, there were 8,462,412 PSUs outstanding related to the key employee grant as of both June 30, 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 $2,735 and $628, respectively, over a weighted average period of approximately one year and two years, as of June 30, 2026 and 2025, respectively.

***Employee Stock Purchase Plan***

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

**6. Income Taxes**

Our effective tax rate for the period ended June 30, 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 our income tax positions since December 31, 2025.

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

**7. 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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Net loss | $ (186) | $ (14,512) | $ (140) | $ (22,357) |
| Less: Net loss attributable to non-controlling interest | (83) | (9,183) | (22) | (14,141) |
| Net loss attributable to Class A Common Stock, basic and diluted | $ (103) | $ (5,329) | $ (118) | $ (8,216) |
| Weighted-average shares of Class A Common Stock outstanding, basic and diluted | 117,827,656 | 79,146,003 | 116,619,198 | 78,780,708 |
| Net loss per share attributable to Class A common stockholders, basic and diluted | $ 0.00 | $ (0.07) | $ 0.00 | $ (0.10) |

We 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 June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Stock Options | 8,478,774 | 7,995,668 | 8,478,774 | 7,995,668 |
| Common Units | 130,467,486 | 134,426,861 | 130,467,486 | 134,426,861 |
| RSUs | 7,427,508 | 4,459,117 | 7,427,508 | 4,459,117 |
| PSUs | 10,735,175 | 8,462,412 | 10,735,175 | 8,462,412 |
| Incentive Units (Share Equivalents) | 1,221,857 | 1,221,857 | 1,221,857 | 1,221,857 |
| Employee Stock Purchase Plan | 119,561 | 79,468 | 119,561 | 79,468 |
| Total units excluded from computation of diluted net loss per share | 158,450,361 | 156,645,383 | 158,450,361 | 156,645,383 |

## 8. Commitments and Contingencies

***Purchase Agreements***

We have 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 following table summarizes the aggregate value of purchases from these third-party suppliers (*dollars in thousands, unaudited*):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Purchases | $ 10,908 | $ 11,749 | $ 21,731 | $ 26,913 |

The following table summarizes our future minimum purchase commitments as of June 30, 2026 (*dollars in thousands, unaudited*):

| | |
|---|---|
| Remainder of 2026 | $ 20,945 |
| 2027 | 32,427 |
| 2028 | 15,141 |
| 2029 | 14,934 |
| 2030 | — |
| Total | $ 83,447 |

***Contingencies***

We are 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, we accrue reserves when it is probable that 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, we do not believe any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on our results of operations, cash flows, or financial condition.

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

We are also subject to U.S. (federal and state) laws, regulations, and administrative practices that require us to collect information from our 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 our 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 our refusal to allow Clark to exercise warrants. On December 24, 2025, we and Clark agreed to settle all claims relating to the lawsuit, a portion of which was paid in December 2025, and the remainder of which was paid in 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, we filed a partial motion to dismiss relating to certain of these allegations. On November 13, 2024, the court denied our 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. We believe that we have meritorious defenses to the claims asserted against us and will defend ourselves in these proceedings. We have recorded accrued liabilities of $2,700 related to this matter, which does not include interest or penalties.

**9. Operational Improvement Plan**

Beginning in the second quarter of fiscal year 2025, we 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 80 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 June 30, 2026, accrued restructuring costs related to the 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 | 341 | 883 | 1,224 |
| Costs paid or settled | (690) | (1,372) | (2,062) |
| Balance as of June 30, 2026 | $ 402 | $ — | $ 402 |

## 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 e-commerce 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, we 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 $6.8 million consisting of severance and transition costs, substantially all of which have been incurred as of June 30, 2026. We estimate that the costs savings as a result of this plan will exceed $12.2 million on an annualized run rate basis. As of June 30, 2026, we have realized approximately $10.4 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, net***

Interest expense, net 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 and six months ended June 30, 2026 and 2025.

***Comparison of the three months ended June 30, 2026 to the three months ended June 30, 2025***

The following table summarizes our results of operations for the periods indicated (*dollars in thousands, unaudited*):

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | $ Change | % Change |
| Revenue, net | $ 107,020 | $ 94,837 | $ 12,183 | 13 % |
| Cost of goods sold | 70,537 | 62,664 | 7,873 | 13 % |
| Gross profit | 36,483 | 32,173 | 4,310 | 13 % |
| Gross margin(1) | 34 % | 34 % | | |
| **Operating expenses** | | | | |
| Marketing and advertising | 10,530 | 9,770 | 760 | 8 % |
| Salaries, wages, and benefits | 15,468 | 15,791 | (323) | (2) % |
| General and administrative | 9,271 | 14,311 | (5,040) | (35) % |
| Other operating expense, net | 113 | 4,925 | (4,812) | (98) % |
| Total operating expenses | 35,382 | 44,797 | (9,415) | (21) % |
| **Operating income (loss)** | 1,101 | (12,624) | 13,725 | 109 % |
| **Non-operating expenses** | | | | |
| Interest expense, net | (1,254) | (1,844) | (590) | (32) % |
| Total non-operating expenses | (1,254) | (1,844) | (590) | (32) % |
| **Loss before income taxes** | (153) | (14,468) | (14,315) | (99) % |
| Income tax expense | 33 | 44 | (11) | (25) % |
| **Net loss** | $ (186) | $ (14,512) | $ (14,326) | (99) % |

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

***Revenue, net***

Net revenue for the three months ended June 30, 2026 increased $12.2 million, or 13%, to $107.0 million as compared to $94.8 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 June 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | $ Change | % Change |
| Wholesale | $ 70,623 | $ 61,316 | $ 9,307 | 15 % |
| DTC | 31,400 | 27,640 | 3,760 | 14 % |
| Outpost | 4,997 | 5,881 | (884) | (15) % |
| Total net sales | $ 107,020 | $ 94,837 | $ 12,183 | 13 % |

Net revenue for our Wholesale channel for the three months ended June 30, 2026, increased $9.3 million, or 15%, to $70.6 million as compared to $61.3 million for the corresponding period in 2025. The increase was primarily driven by expanded packaged coffee distribution, SKU expansion at FDM retailers, and pricing.

Net revenue for our DTC channel for the three months ended June 30, 2026 increased $3.8 million, or 14%, to $31.4 million as compared to $27.6 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 revenue.

Net revenue for our Outpost channel for the three months ended June 30, 2026, decreased $0.9 million, or 15%, to $5.0 million as compared to $5.9 million for the corresponding period in 2025. The decrease was primarily driven by a decline in transactions and average order value at Company-operated Outposts.

***Cost of goods sold***

Cost of goods sold for the three months ended June 30, 2026 increased $7.9 million, or 13%, to $70.5 million as compared to $62.7 million for the corresponding period in 2025. Gross margin increased modestly to 34.1% for the three months ended June 30, 2026 compared to 33.9% for the corresponding period in 2025. The improvement in gross margin was primarily attributable to pricing actions, lower shipping and fulfillment costs driven by productivity gains, and changes in the reserve for excess and obsolete inventory compared to the prior year, which was partially offset by higher green coffee input costs and tariffs, as well as higher third-party e-commerce marketplace fees, which increased in line with the revenue growth in these channels.

***Operating expenses***

Marketing and advertising expenses for the three months ended June 30, 2026 increased $0.8 million, or 8%, to $10.5 million as compared to $9.8 million for the corresponding period in 2025. The increase was primarily driven by higher spending on content production and media, agency, and partnerships, which was partially offset by lower ad placement and in-store marketing costs. As a percentage of revenue, marketing and advertising expense decreased to 9.8% for the three months ended June 30, 2026 from 10.3% for the corresponding period in 2025, as revenue growth outpaced the increase in marketing investment.

Salaries, wages, and benefits expenses for the three months ended June 30, 2026 decreased $0.3 million, or 2%, to $15.5 million as compared to $15.8 million for the corresponding period in 2025. This decrease was primarily attributable to lower severance costs and reduced payroll from the lower headcount as a result of our Operational Improvement Plan, partly offset by higher bonus and stock-based compensation expense in the current period. As a percentage of revenue, salaries, wages, and benefits expense decreased to 14.5% for the three months ended June 30, 2026 from 16.7% for the corresponding period in 2025, reflecting both lower spend and revenue growth.

General and administrative expenses for the three months ended June 30, 2026 decreased $5.0 million, or 35%, to $9.3 million as compared to $14.3 million for the corresponding period in 2025. The decrease was primarily attributable to lower legal fees, lower consulting and professional fees, and reduced depreciation and amortization expense as certain assets became fully depreciated, reflecting actions taken to simplify and rationalize the Company's cost structure. As a percentage of revenue, general and administrative expense decreased to 8.7% for the three months ended June 30, 2026 from 15.1% for the corresponding period in 2025.

Other operating expense, net for the three months ended June 30, 2026 decreased approximately $4.8 million, or 98%, to $0.1 million as compared to $4.9 million for the corresponding period in 2025. The decrease was primarily due to the absence of legal contingency charges as compared to the corresponding period of 2025.

***Interest expense, net***

Interest expense, net for the three months ended June 30, 2026 decreased approximately $0.6 million, or 32%, to $1.3 million as compared to $1.8 million for the corresponding period in 2025. The decrease was primarily driven by a lower average outstanding balance of the ABL Facility during the second quarter of 2026 compared to the corresponding period in 2025.

***Comparison of the six months ended June 30, 2026 to the six months ended June 30, 2025***

The following table summarizes our results of operations for the periods indicated (*dollars in thousands, unaudited*):

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | $ Change | % Change |
| Revenue, net | $ 216,247 | $ 184,812 | $ 31,435 | 17 % |
| Cost of goods sold | 143,676 | 120,165 | 23,511 | 20 % |
| Gross profit | 72,571 | 64,647 | 7,924 | 12 % |
| Gross margin[(1)] | 34 % | 35 % | | |
| **Operating expenses** | | | | |
| Marketing and advertising | 20,710 | 21,092 | (382) | (2) % |
| Salaries, wages, and benefits | 29,577 | 29,354 | 223 | 1 % |
| General and administrative | 19,369 | 26,099 | (6,730) | (26) % |
| Other operating expense, net | 495 | 6,158 | (5,663) | (92) % |
| Total operating expenses | 70,151 | 82,703 | (12,552) | (15) % |
| **Operating income (loss)** | 2,420 | (18,056) | 20,476 | 113 % |
| **Non-operating expenses** | | | | |
| Interest expense, net | (2,494) | (4,213) | (1,719) | (41) % |
| Total non-operating expenses | (2,494) | (4,213) | (1,719) | (41) % |
| **Loss before income taxes** | (74) | (22,269) | (22,195) | (100) % |
| Income tax expense | 66 | 88 | (22) | (25) % |
| **Net loss** | $ (140) | $ (22,357) | $ (22,217) | (99) % |

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

***Revenue, net***

Net revenue for the six months ended June 30, 2026 increased $31.4 million, or 17%, to $216.2 million as compared to $184.8 million for the corresponding period in 2025.

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

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | $ Change | % Change |
| Wholesale | $ 145,325 | $ 118,107 | $ 27,218 | 23 % |
| DTC | 61,120 | 55,361 | 5,759 | 10 % |
| Outpost | 9,802 | 11,344 | (1,542) | (14) % |
| Total net sales | $ 216,247 | $ 184,812 | $ 31,435 | 17 % |

Net revenue for our Wholesale channel for the six months ended June 30, 2026, increased $27.2 million, or 23%, to $145.3 million as compared to $118.1 million for the corresponding period in 2025. The increase was primarily driven by expanded packaged coffee distribution, SKU expansion at FDM retailers, and pricing.

Net revenue for our DTC channel for the six months ended June 30, 2026 increased $5.8 million, or 10%, to $61.1 million as compared to $55.4 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.

Net revenue for our Outpost channel for the six months ended June 30, 2026, decreased $1.5 million, or 14%, to $9.8 million as compared to $11.3 million for the corresponding period in 2025. The decrease was primarily driven by a decline in transactions and average order value at Company-operated Outposts.

***Cost of goods sold***

Cost of goods sold for the six months ended June 30, 2026 increased $23.5 million, or 20%, to $143.7 million as compared to $120.2 million for the corresponding period in 2025. Gross margin decreased to 34% for the six months ended June 30, 2026 as compared to 35% for the corresponding period in 2025. The decrease in gross margin was primarily attributable to higher costs driven by inflation and tariffs, which was partially offset by pricing actions, productivity gains from the Operational Improvement Plan, and changes in the reserve for excess and obsolete inventory compared to the prior year.

***Operating expenses***

Marketing and advertising expenses for the six months ended June 30, 2026 decreased $0.4 million, or 2%, to $20.7 million as compared to $21.1 million for the corresponding period in 2025. Marketing and advertising expense also decreased to 9.6% of net revenue for the six months ended June 30, 2026 from 11.4% for the corresponding period in 2025. This decrease was primarily driven by lower spending on ad placement and in-store marketing, which was partially offset by higher content production and media investment.

Salaries, wages, and benefits expenses for the six months ended June 30, 2026 increased $0.2 million, or 1%, to $29.6 million as compared to $29.4 million for the corresponding period in 2025. As a percentage of revenue, salaries, wages, and benefits expense decreased to 13.7% from 15.9% for the corresponding period in 2025. This increase was primarily attributable to higher bonus and stock-based compensation expense in the current period, largely offset by lower payroll costs from reduced headcount as a result of our Operational Improvement Plan and lower severance costs compared to the corresponding period in 2025.

General and administrative expenses for the six months ended June 30, 2026 decreased $6.7 million, or 26%, to $19.4 million as compared to $26.1 million for the corresponding period in 2025. This decrease reflects actions taken to simplify and rationalize the Company's cost structure, including lower legal fees, lower consulting and professional fees, as well as lower depreciation and amortization expense driven by certain assets becoming fully depreciated. As a percentage of revenue, general and administrative expense decreased to 9.0% for the six months ended June 30, 2026 from 14.1% for the corresponding period in 2025.

Other operating expense, net for the six months ended June 30, 2026 decreased approximately $5.7 million, or 92%, to $0.5 million as compared to $6.2 million for the corresponding period in 2025. The decrease was primarily related to the absence of legal contingency charges recorded in the corresponding period in 2025, as well as a prior-year loss on the disposal of terminated Outpost sites which declined significantly in the current period.

***Interest expense, net***

Interest expense, net for the six months ended June 30, 2026 decreased approximately $1.7 million, or 41%, to $2.5 million as compared to $4.2 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 six months 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 June 30, 2026, our cash and cash equivalents were approximately $12.0 million, our working capital was $30.8 million, and under our credit facilities, we had $50.4 million of available borrowings. Our ability to draw from the credit facilities is subject to a borrowing base and other covenants. As of June 30, 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.

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*):

| | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 | $ Change | % Change |
|---|---|---|---|---|
| Cash flows provided by (used in): | | | | |
| Operating activities | $ 12,635 | $ (7,464) | $ 20,099 | 269 % |
| Investing activities | $ (1,070) | $ (2,147) | $ (1,077) | (50) % |
| Financing activities | $ (3,866) | $ 7,105 | $ (10,971) | (154) % |

***Operating Activities***

Net cash provided by operating activities was $12.6 million for the six months ended June 30, 2026, compared to net cash used in operating activities of $7.5 million for the corresponding period in 2025. The total increase of $20.1 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 $1.1 million for the six months ended June 30, 2026, compared to net cash used in investing activities of $2.1 million for the corresponding period in 2025. The $1.1 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 $3.9 million for the six months ended June 30, 2026, compared to net cash provided by financing activities of $7.1 million for the corresponding period in 2025. The $11.0 million decrease in net cash provided by financing activities was driven by $6.5 million of net proceeds from long-term debt, primarily related to draws on our ABL Facility, in the prior year period, compared to net repayments of long-term debt in the current 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 $20.9 million for the remainder of 2026; $32.4 million for 2027; $15.1 million for 2028; and $14.9 million for 2029. See Note 8, *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 June 30, 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 $29.5 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 June 30, 2026. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2026, our disclosure controls and procedures were effective.

**Changes in Internal Control over Financial Reporting**

During the three months ended June 30, 2026, we completed the implementation of a new e-commerce platform. As part of this implementation, we assessed the impact to the control environment and modified internal controls where necessary.

Except for the system implementation, discussed above, 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 June 30, 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 8, *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 risk factors below, 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.

***Our Class A common stock has previously traded below $1.00 per share, and if it were to trade below $1.00 in the future, it could create an imminent risk of delisting from the New York Stock Exchange ("NYSE").***

Section 802.01C of the NYSE Listed Company Manual requires that listed companies maintain a minimum share price of $1.00 over a 30 trading-day period (the "Price Criteria"). We previously received a notice from the NYSE because the trading price of our Class A Common Stock was not in compliance with the Price Criteria. If our Class A Common Stock again falls below the Price Criteria, our Class A Common Stock may be subject to delisting from the NYSE.

***A reverse stock split, if effected, may not increase the price of our Class A Common Stock.***

On May 28, 2026, our stockholders granted our Board of Directors discretionary authority to amend our certificate of incorporation to effect a reverse stock split at a ratio ranging from any whole number between 1-for-10 and 1-for-50 (a "Reverse Stock Split"), as determined by the Board in its discretion, subject to the Board's authority to abandon such amendments. The history of similar reverse stock splits for companies in similar circumstances is varied. If we effect a Reverse Stock Split, we cannot predict or provide assurance that:

- the market price per share of our Class A Common Stock after the Reverse Stock Split would rise for a sustained period of time, or at all, or rise in proportion to the reduction in the number of shares of our Class A Common Stock outstanding immediately before the Reverse Stock Split;

- the Reverse Stock Split would result in a per share price that would satisfy the investment guidelines of institutional investors or investment funds, or increase the level of investment in our Class A Common Stock by institutional investors or investment funds or increase analyst and broker interest in the Company;

- the Reverse Stock Split would decrease the price volatility of our Class A Common Stock;

- the Reverse Stock Split would result in a per share price that would increase our ability to attract and retain employees and other service providers who receive compensation in the form of our equity-based securities; and

- the market price per share of our Class A Common Stock would remain in excess of the Price Criteria, or that we would otherwise meet the requirements of the NYSE for continued inclusion for trading on the NYSE.

The market price of our Class A Common Stock will also be based on our performance and other factors, some of which are unrelated to the number of shares outstanding. If a Reverse Stock Split is effected and the market price of our Class A Common Stock declines, the percentage declines as an absolute number and as a percentage of our overall market capitalization may be greater than what would occur in the absence of a Reverse Stock Split. Additionally, a Reverse Stock Split, if effected, could result in increased brokerage commissions and other transaction costs for any investors owning odd-lots of less than 100 shares after a Reverse Stock Split. Furthermore, the liquidity of our Class A Common Stock could be adversely affected by the reduced number of shares that would be outstanding after a Reverse Stock Split.

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

On April 20, 2026, the Company issued 66,372 shares of Class A Common Stock to Blank Canvas Agency f/b/o Rocker Steiner as consideration for sponsorship and promotional services rendered to the Company. The issuance was not registered under the Securities Act in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. No underwriters were involved in the transaction.

## 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

On June 15, 2026, EKNRH Holdings LLC, an entity managed by Evan Hafer, our Executive Chairman, adopted a "Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K. The aggregate number of shares that may be sold pursuant to the trading plan is 2,880,000 shares of our Class A Common Stock. The trading plan authorizes the agent to begin selling such shares pursuant to the plan on September 29, 2026, and provides that the agent shall cease selling such shares on the earlier to occur of (i) September 28, 2027 and (ii) the date on which an aggregate of 2,880,000 shares of Class A Common Stock issuable upon exchange of an equivalent number of common units of Authentic Brands LLC (and forfeiture of an equivalent number of shares of Class B Common Stock) have been sold under such plan.

During the three months ended June 30, 2026, no other director or officer of the Companyadopted 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). |
| 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.

## 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)

August 3, 2026

**Exhibit 31.1**

**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.

| | |
|---|---|
| | /s/ Christopher Mondzelewski |
| Date: August 3, 2026 | Christopher Mondzelewski |
| | Chief Executive Officer |
| | (Principal Executive Officer) |

**Exhibit 31.2**

**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: August 3, 2026

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

**Exhibit 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**

In connection with the Quarterly Report on Form 10-Q of BRC Inc. (the “Company”) for the quarter ended June 30, 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: August 3, 2026

/s/ Christopher Mondzelewski

Christopher Mondzelewski
Chief Executive Officer
(Principal Executive Officer)

**Exhibit 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**

In connection with the Quarterly Report on Form 10-Q of BRC Inc. (the “Company”) for the quarter endd June 30, 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: August 3, 2026

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