

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

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended **June 30, 2024**

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: **001-40573**



**Krispy Kreme, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**37-1701311**  
(IRS Employer Identification No.)

**2116 Hawkins Street, Charlotte, North Carolina 28203**  
(Address of principal executive offices)

**(800) 457-4779**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, \$0.01 par value per share	DNUT	Nasdaq Global Select Market

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

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

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

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

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

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

The registrant had outstanding 169.6 million shares of common stock as of August 2, 2024.

Table of Contents

	<b>Page</b>
	<b><u>PART I. FINANCIAL INFORMATION</u></b>
Item 1. <a href="#">Financial Statements (Unaudited)</a>	1
<a href="#">Condensed Consolidated Statements of Operations</a>	1
<a href="#">Condensed Consolidated Statements of Comprehensive (Loss)/Income</a>	2
<a href="#">Condensed Consolidated Balance Sheets</a>	3
<a href="#">Condensed Consolidated Statements of Changes in Shareholders' Equity</a>	4
<a href="#">Condensed Consolidated Statements of Cash Flows</a>	6
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	7
Item 2. <a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	23
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	43
Item 4. <a href="#">Controls and Procedures</a>	43
	<b><u>PART II. OTHER INFORMATION</u></b>
Item 1. <a href="#">Legal Proceedings</a>	45
Item 1A. <a href="#">Risk Factors</a>	45
Item 2. <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	45
Item 3. <a href="#">Defaults Upon Senior Securities</a>	45
Item 4. <a href="#">Mine Safety Disclosures</a>	45
Item 5. <a href="#">Other Information</a>	45
Item 6. <a href="#">Exhibits</a>	46
<b><u>Signatures</u></b>	47

---

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements (Unaudited)

**Krispy Kreme, Inc.**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
*(in thousands, except per share amounts)*

	Quarter Ended		Two Quarters Ended	
	June 30, 2024 (13 weeks)	July 2, 2023 (13 weeks)	June 30, 2024 (26 weeks)	July 2, 2023 (26 weeks)
<b>Net revenues</b>				
Product sales	\$ 429,411	\$ 400,348	\$ 862,923	\$ 811,022
Royalties and other revenues	9,398	8,534	18,584	16,810
<b>Total net revenues</b>	<b>438,809</b>	<b>408,882</b>	<b>881,507</b>	<b>827,832</b>
Product and distribution costs	107,846	111,106	214,861	228,939
Operating expenses	212,504	189,165	417,699	380,573
Selling, general and administrative expense	64,466	62,582	136,040	124,050
Marketing expenses	12,416	9,770	24,531	19,623
Pre-opening costs	967	1,104	2,072	1,868
Other (income)/expenses, net	(849)	314	(649)	(4,949)
Depreciation and amortization expense	34,600	29,196	68,186	57,135
<b>Operating income</b>	<b>6,859</b>	<b>5,645</b>	<b>18,767</b>	<b>20,593</b>
Interest expense, net	14,452	12,063	28,188	24,051
Other non-operating expense, net	949	1,061	1,522	2,060
<b>Loss before income taxes</b>	<b>(8,542)</b>	<b>(7,479)</b>	<b>(10,943)</b>	<b>(5,518)</b>
Income tax (benefit)/expense	(3,611)	(7,563)	651	(7,246)
<b>Net (loss)/income</b>	<b>(4,931)</b>	<b>84</b>	<b>(11,594)</b>	<b>1,728</b>
Net income/(loss) attributable to noncontrolling interest	560	(139)	2,431	1,806
<b>Net (loss)/income attributable to Krispy Kreme, Inc.</b>	<b>\$ (5,491)</b>	<b>\$ 223</b>	<b>\$ (14,025)</b>	<b>\$ (78)</b>
Net (loss)/income per share:				
Common stock — Basic	\$ (0.03)	\$ 0.00	\$ (0.08)	\$ 0.00
Common stock — Diluted	\$ (0.03)	\$ 0.00	\$ (0.08)	\$ 0.00
<b>Weighted average shares outstanding:</b>				
Basic	169,095	168,184	168,890	168,162
Diluted	169,095	170,659	168,890	168,162

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Krispy Kreme, Inc.**  
**Condensed Consolidated Statements of Comprehensive (Loss)/Income (Unaudited)**  
*(in thousands)*

	Quarter Ended		Two Quarters Ended	
	June 30, 2024 (13 weeks)	July 2, 2023 (13 weeks)	June 30, 2024 (26 weeks)	July 2, 2023 (26 weeks)
<b>Net (loss)/income</b>	<b>\$ (4,931)</b>	<b>\$ 84</b>	<b>\$ (11,594)</b>	<b>\$ 1,728</b>
Other comprehensive (loss)/income, net of income taxes:				
Foreign currency translation adjustment	(7,944)	9,294	(14,013)	20,386
Unrealized (loss)/income on cash flow hedges, net of income taxes <sup>(1)</sup>	(3,504)	472	(6,188)	(2,495)
<b>Total other comprehensive (loss)/income</b>	<b>(11,448)</b>	<b>9,766</b>	<b>(20,201)</b>	<b>17,891</b>
<b>Comprehensive (loss)/income</b>	<b>(16,379)</b>	<b>9,850</b>	<b>(31,795)</b>	<b>19,619</b>
Net income/(loss) attributable to noncontrolling interest	560	(139)	2,431	1,806
Foreign currency translation adjustment attributable to noncontrolling interest	(62)	1,063	(361)	955
<b>Total comprehensive income attributable to noncontrolling interest</b>	<b>498</b>	<b>924</b>	<b>2,070</b>	<b>2,761</b>
<b>Comprehensive (loss)/income attributable to Krispy Kreme, Inc.</b>	<b>\$ (16,877)</b>	<b>\$ 8,926</b>	<b>\$ (33,865)</b>	<b>\$ 16,858</b>

<sup>(1)</sup> Net of income tax benefit/(expense) of \$1.2 million and \$2.1 million for the quarter and two quarters ended June 30, 2024, respectively, and (\$0.2 million) and \$0.8 million for the quarter and two quarters ended July 2, 2023, respectively.

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Krispy Kreme, Inc.**  
**Condensed Consolidated Balance Sheets**  
*(in thousands, except per share amounts)*

	As of	
	(Unaudited) June 30, 2024	December 31, 2023
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 28,625	\$ 38,185
Restricted cash	483	429
Accounts receivable, net	57,348	59,362
Inventories	39,461	34,716
Taxes receivable	18,143	15,526
Prepaid expense and other current assets	24,110	25,363
<b>Total current assets</b>	<b>168,170</b>	<b>173,581</b>
Property and equipment, net	551,406	538,220
Goodwill	1,096,249	1,101,939
Other intangible assets, net	927,714	946,349
Operating lease right of use asset, net	456,124	456,964
Other assets	23,823	23,539
<b>Total assets</b>	<b>\$ 3,223,486</b>	<b>\$ 3,240,592</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 59,827	\$ 54,631
Current operating lease liabilities	54,937	50,365
Accounts payable	135,197	156,488
Accrued liabilities	114,269	134,005
Structured payables	129,344	130,104
<b>Total current liabilities</b>	<b>493,574</b>	<b>525,593</b>
Long-term debt, less current portion	894,979	836,615
Noncurrent operating lease liabilities	453,338	454,583
Deferred income taxes, net	115,800	123,925
Other long-term obligations and deferred credits	36,538	36,093
<b>Total liabilities</b>	<b>1,994,229</b>	<b>1,976,809</b>
Commitments and contingencies		
<b>Shareholders' equity:</b>		
Common stock, \$0.01 par value; 300,000 shares authorized as of both June 30, 2024 and December 31, 2023; 169,357 and 168,628 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	1,694	1,686
Additional paid-in capital	1,453,944	1,443,591
Shareholder note receivable	(2,865)	(3,850)
Accumulated other comprehensive (loss)/income, net of income tax	(12,594)	7,246
Retained deficit	(304,840)	(278,990)
<b>Total shareholders' equity attributable to Krispy Kreme, Inc.</b>	<b>1,135,339</b>	<b>1,169,683</b>
Noncontrolling interest	93,918	94,100
<b>Total shareholders' equity</b>	<b>1,229,257</b>	<b>1,263,783</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,223,486</b>	<b>\$ 3,240,592</b>

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Krispy Kreme, Inc.**  
**Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)**  
*(in thousands, except per share amounts)*

	Common Stock		Accumulated Other Comprehensive Income/(Loss)							Noncontrolling Interest	Total
	Shares Outstanding	Amount	Additional Paid-in Capital	Shareholder Note Receivable	Foreign Currency Translation Adjustment	Unrealized Income/(Loss) on Cash Flow Hedges	Unrealized Loss on Employee Benefit Plans	Retained (Deficit)/Earnings			
<b>Balance at December 31, 2023</b>	<b>168,628</b>	<b>\$ 1,686</b>	<b>\$ 1,443,591</b>	<b>\$ (3,850)</b>	<b>\$ 1,985</b>	<b>\$ 5,629</b>	<b>\$ (368)</b>	<b>\$ (278,990)</b>	<b>\$ 94,100</b>	<b>\$ 1,263,783</b>	
Net (loss)/income for the quarter ended March 31, 2024	—	—	—	—	—	—	—	(8,534)	1,871	(6,663)	
Other comprehensive (loss)/income for the quarter ended March 31, 2024 before reclassifications	—	—	—	—	(5,770)	367	—	—	(299)	(5,702)	
Reclassification from AOCI	—	—	—	—	—	(3,051)	—	—	—	(3,051)	
Capital contribution by shareholders, net of loans issued	—	—	—	232	—	—	—	—	—	232	
Share-based compensation	—	—	6,986	—	—	—	—	—	—	6,986	
Dividends declared on common stock and equivalents (\$0.035 per share)	—	—	—	—	—	—	—	(5,905)	—	(5,905)	
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(977)	(977)	
Issuance of common stock upon settlement of RSUs, net of shares withheld	103	1	(805)	—	—	—	—	—	—	(804)	
Other	—	—	1	(11)	—	—	—	(1)	(1)	(12)	
<b>Balance at March 31, 2024</b>	<b>168,731</b>	<b>\$ 1,687</b>	<b>\$ 1,449,773</b>	<b>\$ (3,629)</b>	<b>\$ (3,785)</b>	<b>\$ 2,945</b>	<b>\$ (368)</b>	<b>\$ (293,430)</b>	<b>\$ 94,694</b>	<b>\$ 1,247,887</b>	
Net (loss)/income for the quarter ended June 30, 2024	—	—	—	—	—	—	—	(5,491)	560	(4,931)	
Other comprehensive loss for the quarter ended June 30, 2024 before reclassifications	—	—	—	—	(7,882)	(488)	—	—	(62)	(8,432)	
Reclassification from AOCI	—	—	—	—	—	(3,016)	—	—	—	(3,016)	
Capital contribution from shareholders, net of loans issued	—	—	—	687	—	—	—	—	—	687	
Share-based compensation	—	—	7,648	—	—	—	—	—	—	7,648	
Dividends declared on common stock and equivalents (\$0.035 per share) <sup>(1)</sup>	—	—	—	—	—	—	—	(5,919)	—	(5,919)	
Distribution to noncontrolling interest	—	—	—	105	—	—	—	—	(1,274)	(1,169)	
Issuance of common stock upon settlement of RSUs, net of shares withheld	626	6	(3,477)	—	—	—	—	—	—	(3,471)	
Other	—	1	—	(28)	—	—	—	—	—	(27)	
<b>Balance at June 30, 2024</b>	<b>169,357</b>	<b>\$ 1,694</b>	<b>\$ 1,453,944</b>	<b>\$ (2,865)</b>	<b>\$ (11,667)</b>	<b>\$ (559)</b>	<b>\$ (368)</b>	<b>\$ (304,840)</b>	<b>\$ 93,918</b>	<b>\$ 1,229,257</b>	

(1) Includes a \$0.035 cash dividend per common share declared in the second quarter of fiscal 2024 and expected to be paid in the third quarter of fiscal 2024.

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Krispy Kreme, Inc.**  
**Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)**  
*(in thousands, except per share amounts)*

	Common Stock		Accumulated Other Comprehensive Income/(Loss)							
	Shares Outstanding	Amount	Additional Paid-in Capital	Shareholder Note Receivable	Foreign Currency Translation Adjustment	Unrealized Income/(Loss) on Cash Flow Hedges	Unrealized Loss on Employee Benefit Plans	Retained (Deficit)/Earnings	Noncontrolling Interest	Total
<b>Balance at January 1, 2023</b>	168,137	\$ 1,681	\$ 1,426,105	\$ (4,813)	\$ (23,028)	\$ 14,251	\$ (374)	\$ (217,490)	\$ 102,543	\$ 1,298,875
Net (loss)/income for the quarter ended April 2, 2023	—	—	—	—	—	—	—	(301)	1,945	1,644
Other comprehensive income/(loss) for the quarter ended April 2, 2023 before reclassifications	—	—	—	—	11,200	(781)	—	—	(108)	10,311
Reclassification from AOCI	—	—	—	—	—	(2,186)	—	—	—	(2,186)
Share-based compensation	—	—	5,545	—	—	—	—	—	—	5,545
Dividends declared on common stock and equivalents (\$0.035 per share)	—	—	—	—	—	—	—	(5,884)	—	(5,884)
Distribution to noncontrolling interest	—	—	—	—	—	—	—	—	(1,139)	(1,139)
Issuance of common stock upon settlement of RSUs, net of shares withheld	39	1	(1)	—	—	—	—	—	—	—
Other	—	—	—	(17)	—	—	—	—	1	(16)
<b>Balance at April 2, 2023</b>	168,176	\$ 1,682	\$ 1,431,649	\$ (4,830)	\$ (11,828)	\$ 11,284	\$ (374)	\$ (223,674)	\$ 103,241	\$ 1,307,150
Net income/(loss) for the quarter ended July 2, 2023	—	—	—	—	—	—	—	223	(139)	84
Other comprehensive income for the quarter ended July 2, 2023 before reclassifications	—	—	—	—	8,231	918	—	—	1,063	10,212
Reclassification from AOCI	—	—	—	—	—	(446)	—	—	—	(446)
Capital contribution by shareholders, net of loans issued	—	—	—	631	—	—	—	—	—	631
Share-based compensation	—	—	4,824	—	—	—	—	—	—	4,824
Dividends declared on common stock and equivalents (\$0.035 per share)	—	—	—	—	—	—	—	(5,889)	—	(5,889)
Distribution to noncontrolling interest	—	—	(4,176)	426	—	—	—	—	(6,357)	(10,107)
Issuance of common stock upon settlement of RSUs, net of shares withheld	8	—	(147)	—	—	—	—	—	—	(147)
Other	—	—	—	(36)	(1)	—	—	—	—	(37)
<b>Balance at July 2, 2023</b>	168,184	\$ 1,682	\$ 1,432,150	\$ (3,809)	\$ (3,598)	\$ 11,756	\$ (374)	\$ (229,340)	\$ 97,808	\$ 1,306,275

*See accompanying notes to Condensed Consolidated Financial Statements.*

**Krispy Kreme, Inc.**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
*(in thousands)*

	Two Quarters Ended	
	June 30, 2024 (26 weeks)	July 2, 2023 (26 weeks)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net (loss)/income	\$ (11,594)	\$ 1,728
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Depreciation and amortization expense	68,186	57,135
Deferred and other income taxes	(5,338)	(11,743)
Loss on extinguishment of debt	—	472
Impairment and lease termination charges	448	7,808
Gain on disposal of property and equipment	(3)	(151)
Gain on sale-leaseback	—	(9,646)
Share-based compensation	14,634	10,369
Change in accounts and notes receivable allowances	327	372
Inventory write-off	1,038	10,244
Settlement of interest rate swap derivatives	—	7,657
Amortization related to settlement of interest rate swap derivatives	(5,910)	(4,379)
Other	858	996
Change in operating assets and liabilities, excluding foreign currency translation adjustments	(47,121)	(24,609)
<b>Net cash provided by operating activities</b>	<b>15,525</b>	<b>46,253</b>
<b>CASH FLOWS USED FOR INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(60,735)	(54,290)
Proceeds from sale-leaseback	—	10,025
Purchase of equity method investment	(3,506)	—
Disbursement for loan receivable	(1,086)	—
Other investing activities	166	163
<b>Net cash used for investing activities</b>	<b>(65,161)</b>	<b>(44,102)</b>
<b>CASH FLOWS FROM/(USED FOR) FINANCING ACTIVITIES:</b>		
Proceeds from the issuance of debt	365,000	989,198
Repayment of long-term debt and lease obligations	(306,797)	(916,580)
Payment of financing costs	—	(5,000)
Proceeds from structured payables	190,162	73,939
Payments on structured payables	(190,811)	(126,920)
Capital contribution by shareholders, net of loans issued	919	631
Distribution to shareholders	(11,807)	(11,771)
Payments for repurchase and retirement of common stock	(4,275)	(147)
Distribution to noncontrolling interest	(2,146)	(11,246)
<b>Net cash provided by/(used for) financing activities</b>	<b>40,245</b>	<b>(7,896)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(115)	(3,011)
Net decrease in cash, cash equivalents and restricted cash	(9,506)	(8,756)
Cash, cash equivalents and restricted cash at beginning of period	38,614	35,730
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 29,108</b>	<b>\$ 26,974</b>
Supplemental schedule of non-cash investing and financing activities:		
Increase in accrual for property and equipment	\$ 12,176	\$ 10,636
Accrual for distribution to shareholders	(5,919)	(5,886)
Reconciliation of cash, cash equivalents and restricted cash at end of period:		
Cash and cash equivalents	\$ 28,625	\$ 26,635
Restricted cash	483	339
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 29,108</b>	<b>\$ 26,974</b>

*See accompanying notes to Condensed Consolidated Financial Statements.*



**Krispy Kreme, Inc.**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
*(dollars in thousands, unless otherwise specified)*

**Note 1 — Description of Business and Summary of Significant Accounting Policies**

**Description of Business**

Krispy Kreme, Inc. (“KKI”) and its subsidiaries (collectively, the “Company” or “Krispy Kreme”) operates through its omni-channel business model to deliver fresh doughnut experiences and produce doughnuts for Doughnut Shops, Delivered Fresh Daily (“DFD”) outlets, and digital channels, expanding consumer access to the Krispy Kreme brand.

The Company has three reportable operating segments: 1) U.S., which includes all Krispy Kreme Company-owned operations in the U.S. and *Insomnia Cookies Bakeries* globally; 2) International, which includes all Krispy Kreme Company-owned operations in the U.K., Ireland, Australia, New Zealand, Mexico, Canada, and Japan; and 3) Market Development, which includes franchise operations across the globe. Unallocated corporate costs are excluded from the Company’s measurement of segment performance.

**Basis of Presentation and Consolidation**

The Company operates and reports financial information on a 52 or 53-week year with the fiscal year ending on the Sunday closest to December 31. The data periods contained within fiscal years 2023 and 2024 will reflect the results of operations for the 52-week periods ended December 31, 2023 and December 29, 2024, respectively. The quarters ended June 30, 2024 and July 2, 2023 were both 13-week periods.

The unaudited Condensed Consolidated Financial Statements include the accounts of KKI and subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, these interim financial statements do not include all information and footnotes required under GAAP for complete financial statements. In the opinion of management, the accompanying unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of results of operations, balance sheet, cash flows, and shareholders’ equity for the periods presented. All significant intercompany balances and transactions among KKI and subsidiaries have been eliminated in consolidation. Investments in entities over which the Company has the ability to exercise significant influence but which it does not control and whose financial statements are not otherwise required to be consolidated, are accounted for using the equity method.

These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto as of and for the year ended December 31, 2023, included in the Annual Report on Form 10-K. The Condensed Consolidated Balance Sheet as of December 31, 2023 was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements. The results of operations for the quarter ended June 30, 2024 are not necessarily indicative of the results of operations that may be achieved for the entire fiscal year ending December 29, 2024.

Noncontrolling interest in the Company’s Condensed Consolidated Financial Statements represents the interest in subsidiaries held by joint venture partners and employee shareholders. The joint venture partners hold noncontrolling interests in the Company’s consolidated subsidiaries, *Awesome Doughnut*, LLC (“*Awesome Doughnut*”), *W.K.S. Krispy Kreme*, LLC (“*WKS Krispy Kreme*”), and *Krispy K Canada*, Inc. (“*KK Canada*”). Employee shareholders hold noncontrolling interests in the consolidated subsidiaries *Krispy Kreme Holding U.K. Ltd.* (“*KK U.K.*”), *Krispy Kreme Holdings Pty Ltd.* (“*KK Australia*”), *Krispy Kreme Mexico Holding S.A.P.I. de C.V.* (“*KK Mexico*”), and *Insomnia Cookies Holdings, LLC* (“*Insomnia Cookies*”). Since the Company consolidates the financial statements of these subsidiaries, the noncontrolling owners’ share of each subsidiary’s net assets and results of operations are deducted and reported as noncontrolling interest on the Condensed Consolidated Balance Sheets and as net income attributable to noncontrolling interest in the Condensed Consolidated Statements of Operations and comprehensive income attributable to noncontrolling interest in the Condensed Consolidated Statements of Comprehensive (Loss)/Income.

### **Summary of Significant Accounting Policies**

The Company's significant accounting policies are described in Note 1, "Description of Business and Summary of Significant Accounting Policies" to the Consolidated Financial Statements for the year ended December 31, 2023 included in the Annual Report on Form 10-K. There have been no material changes to the significant accounting policies during the quarter ended June 30, 2024.

### **Reclassifications**

Segment information is prepared on the same basis that the Company's management reviews financial information for operational decision-making purposes. Effective January 1, 2024, the Company realigned its segment reporting structure such that the Company-owned Canada and Japan businesses have moved from the Market Development reportable operating segment to the International reportable operating segment. All segment information has been restated to be consistent with current presentation.

### **Recent Accounting Pronouncements**

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires a public entity to disclose significant segment expenses and other segment items on an annual and interim basis and provide in interim periods all disclosures about a reportable segment's profit or loss and assets that are currently required annually. Additionally, it requires a public entity to disclose the title and position of the Chief Operating Decision Maker. The ASU does not change how a public entity identifies its operating segments, aggregates them, or applies the quantitative thresholds to determine its reportable segments. The new standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A public entity should apply the amendments in this standard retrospectively to all prior periods presented in the financial statements. We expect this standard to impact our segment disclosures, but with no impacts to our results of operations, cash flows, and financial condition.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which focuses on the rate reconciliation and income taxes paid disclosures. The standard requires a public business entity ("PBE") to disclose, on an annual basis, a tabular rate reconciliation using both percentages and currency amounts, broken out into specified categories with certain reconciling items further disaggregated by nature and jurisdiction to the extent those items exceed a specified threshold. In addition, all entities are required to disclose income taxes paid, net of refunds received disaggregated by federal, state, and foreign and by individual jurisdiction if the amount is at least 5% of total income tax payments, net of refunds received. For PBEs, the standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity should apply the amendments in this standard prospectively, with retrospective application permitted. We expect this standard to impact our income tax disclosures, but with no impacts to our results of operations, cash flows, and financial condition.

### **Note 2 — Acquisitions**

#### **2024 Acquisitions**

##### *Equity Method Investments*

In the quarter ended June 30, 2024, the Company acquired a 45% noncontrolling ownership interest in the newly formed entity Krispy Kreme Doughnuts Brasil S.A. ("KK Brazil"), for approximately \$2.7 million in cash, and a 25% noncontrolling ownership interest in the newly formed entity Glaseadas Originales S.L. ("KK Spain"), for approximately \$0.8 million in cash. As the Company has the ability to exercise significant influence over both KK Brazil and KK Spain, but does not exercise control, the investments will be accounted for using the equity method, and equity method earnings will be recognized within Other (income)/expenses, net on the Condensed Consolidated Statements of Operations.

#### **2023 Acquisitions**

In the quarter and two quarters ended July 2, 2023, there were no acquisitions.

**Note 3 — Inventories**

The components of Inventories are as follows:

	June 30, 2024	December 31, 2023
Raw materials	\$ 23,335	\$ 21,000
Work in progress	458	211
Finished goods and purchased merchandise	15,668	13,505
<b>Total inventories</b>	<b>\$ 39,461</b>	<b>\$ 34,716</b>

**Note 4 — Goodwill and Other Intangible Assets, net**

**Goodwill**

Changes in the carrying amount of goodwill by reportable segment are as follows:

	U.S.	International	Market Development	Total
<b>Balance as of December 31, 2023</b>	<b>\$ 677,956</b>	<b>\$ 294,468</b>	<b>\$ 129,515</b>	<b>\$ 1,101,939</b>
Foreign currency impact	—	(5,690)	—	(5,690)
<b>Balance as of June 30, 2024</b>	<b>\$ 677,956</b>	<b>\$ 288,778</b>	<b>\$ 129,515</b>	<b>\$ 1,096,249</b>

**Other Intangible Assets, net**

Other intangible assets consist of the following:

	June 30, 2024			December 31, 2023		
	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
<b>Intangible assets with indefinite lives</b>						
Trade names and trademarks	\$ 658,033	\$ —	\$ 658,033	\$ 657,980	\$ —	\$ 657,980
<b>Intangible assets with definite lives</b>						
Franchise agreements	30,390	(11,471)	18,919	30,390	(10,744)	19,646
Customer relationships	15,000	(6,845)	8,155	15,000	(6,413)	8,587
Reacquired franchise rights <sup>(1)</sup>	391,537	(148,930)	242,607	397,279	(137,143)	260,136
<b>Total intangible assets with definite lives</b>	<b>436,927</b>	<b>(167,246)</b>	<b>269,681</b>	<b>442,669</b>	<b>(154,300)</b>	<b>288,369</b>
<b>Total intangible assets</b>	<b>\$ 1,094,960</b>	<b>\$ (167,246)</b>	<b>\$ 927,714</b>	<b>\$ 1,100,649</b>	<b>\$ (154,300)</b>	<b>\$ 946,349</b>

<sup>(1)</sup> Reacquired franchise rights include the impact of foreign currency fluctuations associated with the respective countries.

Amortization expense related to intangible assets included in depreciation and amortization expense was \$7.4 million and \$14.8 million for the quarter and two quarters ended June 30, 2024, and \$7.3 million and \$14.6 million for the quarter and two quarters ended July 2, 2023.

**Note 5 — Leases**

The Company included the following amounts related to operating and finance lease assets and liabilities within the Condensed Consolidated Balance Sheets:

	Classification	As of	
		June 30, 2024	December 31, 2023
<b>Assets</b>			
Operating lease	Operating lease right of use asset, net	\$ 456,124	\$ 456,964
Finance lease	Property and equipment, net	40,599	41,411
<b>Total leased assets</b>		<b>\$ 496,723</b>	<b>\$ 498,375</b>
<b>Liabilities</b>			
<b>Current</b>			
Operating lease	Current operating lease liabilities	\$ 54,937	\$ 50,365
Finance lease	Current portion of long-term debt	7,827	8,631
<b>Noncurrent</b>			
Operating lease	Noncurrent operating lease liabilities	453,338	454,583
Finance lease	Long-term debt, less current portion	38,825	38,486
<b>Total leased liabilities</b>		<b>\$ 554,927</b>	<b>\$ 552,065</b>

Lease costs were as follows:

	Classification	Quarter Ended		Two Quarters Ended	
		June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Lease cost</b>					
Operating lease cost	Selling, general and administrative expense	\$ 879	\$ 986	\$ 1,814	\$ 1,877
Operating lease cost	Operating expenses	24,365	22,185	48,388	44,575
Short-term lease cost	Operating expenses	1,265	1,264	2,350	2,545
Variable lease costs	Operating expenses	7,398	6,886	14,831	16,231
Sublease income	Royalties and other revenues	(35)	(35)	(70)	(70)
<b>Finance lease cost:</b>					
Amortization of right of use assets	Depreciation and amortization expense	\$ 2,867	\$ 1,781	\$ 5,788	\$ 3,365
Interest on lease liabilities	Interest expense, net	865	491	1,742	1,064

Supplemental disclosures of cash flow information related to leases were as follows:

	Two Quarters Ended	
	June 30, 2024	July 2, 2023
<b>Other information</b>		
<b>Cash paid for leases:</b>		
Operating cash flows for operating leases <sup>(1)</sup>	\$ 58,406	\$ 57,968
Operating cash flows for finance leases	1,728	1,121
Financing cash flows for finance leases	5,297	3,632
<b>Right of use assets obtained in exchange for new lease liabilities:</b>		
Operating leases	\$ 26,909	\$ 43,895
Finance leases	4,594	5,931

<sup>(1)</sup> Operating cash flows from operating leases include variable rent payments which are not included in the measurement of lease liabilities. Variable rent payments were \$14.8 million and \$16.2 million for the two quarters ended June 30, 2024 and July 2, 2023, respectively.

There were no lease termination charges in the two quarters ended June 30, 2024. The Company recognized a net gain of \$0.6 million included in Other (income)/expenses, net on the Condensed Consolidated Statement of Operations in the two quarters ended July 2, 2023, related to the termination of leases at certain Krispy Kreme shops in the U.S. where the Company had already recognized impairment of the corresponding right of use assets in a prior period.

There were no sale-leaseback transactions completed in the two quarters ended June 30, 2024. In the two quarters ended July 2, 2023, the Company completed a sale-leaseback transaction whereby it disposed of the land at one real estate property for proceeds of \$10.0 million. The Company subsequently leased back the property, which is accounted for as an operating lease. The Company recognized a gain on sale of \$9.6 million, which is included in Other (income)/expenses, net on the Condensed Consolidated Statement of Operations.

**Note 6 — Fair Value Measurements**

The following table presents assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023:

	<b>June 30, 2024</b>	
	<b>Level 2</b>	
<b>Assets:</b>		
Commodity derivatives	\$	154
<b>Total Assets</b>	<b>\$</b>	<b>154</b>
<b>Liabilities:</b>		
Interest rate derivatives	\$	745
Foreign currency derivatives		408
<b>Total Liabilities</b>	<b>\$</b>	<b>1,153</b>
	<b>December 31, 2023</b>	
	<b>Level 2</b>	
<b>Assets:</b>		
Interest rate derivatives	\$	1,596
<b>Total Assets</b>	<b>\$</b>	<b>1,596</b>
<b>Liabilities:</b>		
Foreign currency derivatives	\$	345
Commodity derivatives		113
<b>Total Liabilities</b>	<b>\$</b>	<b>458</b>

There were no assets or liabilities measured using Level 1 and Level 3 inputs and no transfers of financial assets or liabilities among the levels within the fair value hierarchy during the two quarters ended June 30, 2024 and fiscal year ended December 31, 2023. The Company's derivatives are valued using discounted cash flow analyses that incorporate observable market parameters, such as interest rate yield curves and currency rates.

## Note 7 — Derivative Instruments

### **Commodity Price Risk**

The Company uses forward contracts to protect against the effects of commodity price fluctuations in the cost of ingredients of its products, of which flour, sugar, and shortening are the most significant, and the cost of gasoline used by its delivery vehicles. Management has not designated these forward contracts as hedges. As of June 30, 2024 and December 31, 2023, the total notional amount of commodity derivatives was 1.0 million and 1.8 million gallons of fuel, respectively. They are scheduled to mature between July 2024 and December 2024 and January 2024 and December 2024, respectively. As of June 30, 2024 and December 31, 2023, the Company recorded an asset of \$0.2 million and a liability of \$0.1 million, respectively, related to the fair market values of its commodity derivatives. The settlement of commodity derivative contracts is reported in the Condensed Consolidated Statements of Cash Flows as a cash flow from operating activities.

### **Interest Rate Risk**

The Company uses interest rate swaps to manage its exposure to interest rate volatility from its debt arrangements. Management has designated the swap agreements as cash flow hedges and recognized the changes in the fair value of these swaps in other comprehensive income. As of June 30, 2024 and December 31, 2023, the Company has recorded a liability of \$0.7 million and an asset of \$1.6 million, respectively, related to the fair market values of its interest rate derivatives. The cash flows associated with the interest rate swaps are reflected in operating activities in the Condensed Consolidated Statements of Cash Flows, which is consistent with the classification as operating activities of the interest payments on the term loan.

In the quarter ended June 30, 2024, existing interest rate swap agreements (the “prior agreements”) with an aggregate notional amount of \$505.0 million matured. The Company then entered into new interest rate swap agreements (the “new agreements”) with an aggregate notional amount of \$200.0 million as of June 30, 2024. The primary difference between the new agreements and the prior agreements included the setting of a new rate on the fixed component of the swaps (approximately 4.2%). The new agreements have a benchmark rate on the floating component of the swaps of one-month SOFR and are scheduled to mature in March 2028. The Company expects to increase the ratio of hedged to unhedged debt during the second half of fiscal 2024, which decreased following the maturity of the prior agreements, and entered into interest rate swap agreements with an additional aggregate notional amount of \$250.0 million subsequent to the end of the quarter ended June 30, 2024.

The net effect of the interest rate swap arrangements will be to fix the interest rate on the term loan under the 2023 Facility (as defined in [Note 9](#), Long-Term Debt) up to the notional amount outstanding at the rates payable under the swap agreements plus the Applicable Rate (as defined by the 2023 Facility), through the swap maturity dates in March 2028.

In the two quarters ended July 2, 2023, the Company cancelled certain interest rate swap agreements with an aggregate notional amount of \$265.0 million, collecting \$7.7 million in cash proceeds, and entered into new agreements with the same counterparties. The cash flows are reflected in operating activities in the Condensed Consolidated Statements of Cash Flows.

### **Foreign Currency Exchange Rate Risk**

The Company is exposed to foreign currency risk primarily from its investments in consolidated subsidiaries that operate in Canada, the U.K., Ireland, Australia, New Zealand, Mexico, and Japan. In order to mitigate the impact of foreign exchange fluctuations on commercial and financial transactions with these subsidiaries, the Company enters into foreign exchange forward contracts. Management has not designated these forward contracts as hedges. As of June 30, 2024 and December 31, 2023, the total notional amount of foreign exchange derivatives was \$75.8 million and \$49.8 million, respectively. The majority matured in July 2024 and January 2024, respectively. The Company recorded liabilities of \$0.4 million and \$0.3 million as of June 30, 2024 and December 31, 2023, respectively, related to the fair market values of its foreign exchange derivatives.

**Quantitative Summary of Derivative Positions and Their Effect on Results of Operations**

The following tables present the fair values of derivative instruments included in the Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023, for derivatives not designated as hedging instruments and derivatives designated as hedging instruments, respectively. The Company only has cash flow hedges that are designated as hedging instruments.

Derivatives Not Designated as Hedging Instruments	Derivatives Fair Value		Balance Sheet Location
	June 30, 2024	December 31, 2023	
Commodity derivatives	\$ 154	\$ —	Prepaid expense and other current assets
<b>Total Assets</b>	<b>\$ 154</b>	<b>\$ —</b>	
Foreign currency derivatives	\$ 408	\$ 345	Accrued liabilities
Commodity derivatives	—	113	Accrued liabilities
<b>Total Liabilities</b>	<b>\$ 408</b>	<b>\$ 458</b>	

Derivatives Designated as Hedging Instruments	Derivatives Fair Value		Balance Sheet Location
	June 30, 2024	December 31, 2023	
Interest rate derivatives (current)	\$ —	\$ 1,596	Prepaid expense and other current assets
<b>Total Assets</b>	<b>\$ —</b>	<b>\$ 1,596</b>	
Interest rate derivatives (current)	\$ 200	—	Accrued liabilities
Interest rate derivatives (noncurrent)	545	—	Other long-term obligations and deferred credits
<b>Total Liabilities</b>	<b>\$ 745</b>	<b>\$ —</b>	

The effect of derivative instruments on the Condensed Consolidated Statements of Operations for the quarters and two quarters ended June 30, 2024 and July 2, 2023 is as follows:

Derivatives Designated as Hedging Instruments	Derivative Gain Recognized in Income for the Quarter Ended		Derivative Gain Recognized in Income for the Two Quarters Ended		Location of Derivative Gain Recognized in Income
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	
Gain on interest rate derivatives	\$ 3,016	\$ 446	\$ 6,067	\$ 2,632	Interest expense, net
	<b>\$ 3,016</b>	<b>\$ 446</b>	<b>\$ 6,067</b>	<b>\$ 2,632</b>	

Derivatives Not Designated as Hedging Instruments	Derivative Gain/(Loss) Recognized in Income for the Quarter Ended		Derivative Gain/(Loss) Recognized in Income for the Two Quarters Ended		Location of Derivative Gain/(Loss) Recognized in Income
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023	
Gain/(loss) on foreign currency derivatives	\$ 191	\$ 986	\$ (63)	\$ 62	Other non-operating expense, net
(Loss)/gain on commodity derivatives	(87)	(266)	367	(384)	Other non-operating expense, net
	<b>\$ 104</b>	<b>\$ 720</b>	<b>\$ 304</b>	<b>\$ (322)</b>	

**Note 8 — Vendor Finance Programs**

The following table presents liabilities related to vendor finance programs which the Company participates in as a buyer as of June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023	Balance Sheet Location
Supply chain financing programs	\$ 33,253	\$ 51,239	Accounts payable
Structured payables programs	129,344	130,104	Structured payables
<b>Total Liabilities</b>	<b>\$ 162,597</b>	<b>\$ 181,343</b>	

**Supply Chain Financing (“SCF”) Programs**

The Company has an agreement with a third-party administrator which allows participating vendors to track its payments, and if voluntarily elected by the vendor, to sell payment obligations from the Company to financial institutions as part of the SCF program. The Company’s typical payment terms for trade payables range up to 180 days outside of the SCF program, depending on the type of vendors and the nature of the supplies or services. For vendors under the SCF Program, the Company has established payable terms ranging up to, but not exceeding, 360 days. When participating vendors elect to sell one or more of the Company’s payment obligations, the Company’s rights and obligations to settle the payables on their contractual due date are not impacted. The Company has no economic or commercial interest in a vendor’s decision to enter into these agreements and the financial institutions do not provide the Company with incentives such as rebates or profit sharing under the SCF program. The Company agrees on commercial terms with vendors for the goods and services procured, which are consistent with payment terms observed at other peer companies in the industry, and as the terms are not impacted by the SCF program, such obligations are classified as Accounts payable on the Condensed Consolidated Balance Sheets and the associated cash flows are included in operating activities in the Condensed Consolidated Statements of Cash Flows.

**Structured Payables Programs**

The Company utilizes various card products issued by financial institutions to facilitate purchases of goods and services. By using these products, the Company may receive differing levels of rebates based on timing of repayment. The payment obligations under these card products are classified as Structured payables on the Condensed Consolidated Balance Sheets and the associated cash flows are included in financing activities in the Condensed Consolidated Statements of Cash Flows.

**Note 9 — Long-Term Debt**

The Company’s long-term debt obligations consists of the following:

	June 30, 2024	December 31, 2023
2023 Facility — term loan	\$ 665,000	\$ 682,500
2023 Facility — revolving credit facility	230,000	155,000
Short-term lines of credit	17,000	11,000
Less: Debt issuance costs	(3,847)	(4,371)
Finance lease obligations	46,653	47,117
<b>Total long-term debt</b>	<b>954,806</b>	<b>891,246</b>
Less: Current portion of long-term debt	(59,827)	(54,631)
<b>Long-term debt, less current portion</b>	<b>\$ 894,979</b>	<b>\$ 836,615</b>

**2023 Secured Credit Facility**

The Company is party to a credit agreement (the “2023 Facility”) consisting of a \$300.0 million senior secured revolving credit facility and a term loan with an original principal amount of \$700.0 million. The 2023 Facility is secured by a first priority lien on substantially all of the Company’s personal property assets, certain real properties, and all of the Company’s domestic wholly owned subsidiaries. Loans made pursuant to the 2023 Facility may be used for general corporate purposes of the Company (including, but not limited to, financing working capital needs, capital expenditures, acquisitions, other investments, dividends, and stock repurchases) and for any other purpose not prohibited under the related loan documents.



Borrowings under the 2023 Facility are generally subject to an interest rate of adjusted term SOFR plus a credit spread adjustment of 0.10% plus (i) 2.25% if the Company's leverage ratio (as defined in the 2023 Facility) equals or exceeds 4.00 to 1.00, (ii) 2.00% if the Company's leverage ratio is less than 4.00 to 1.00 but greater than or equal to 3.00 to 1.00, or (iii) 1.75% if the Company's leverage ratio is less than 3.00 to 1.00. As of June 30, 2024 and December 31, 2023, the unhedged interest rate was 7.43% and 7.46% under the 2023 Facility, respectively. As of June 30, 2024 and December 31, 2023, \$200.0 million out of the \$665.0 million term loan balance and \$505.0 million out of the \$682.5 million term loan balance, respectively, was hedged. As of June 30, 2024 and December 31, 2023, the effective interest rate on the term loan was approximately 7.10% and 6.80%, respectively. The Company is required to make equal installments of 1.25% of the aggregate closing date principal amount of the term loan on the last day of each fiscal quarter. All remaining term loan and revolving loan balances are to be due at maturity in March 2028.

### Short-Term Lines of Credit

The Company is party to two agreements with existing lenders providing for short-term, uncommitted lines of credit up to \$25.0 million. Borrowings under these short-term lines of credit are payable to the lenders on a revolving basis for tenors up to a maximum of three months and are subject to an interest rate of adjusted term SOFR plus a credit spread adjustment of 0.10% plus a margin of 1.75%.

### Note 10 — Share-based Compensation

#### Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs")

The Company and certain of its subsidiaries issue time-vested RSUs and PSUs under their respective executive ownership plans and long-term incentive plans.

RSU and PSU activity under the Company's various plans during the periods presented is as follows:

<i>(in thousands, except per share amounts)</i>	Non-vested shares outstanding at December 31, 2023	Granted	Vested	Forfeited	Non-vested shares outstanding at June 30, 2024
<b>KKI</b>					
RSUs and PSUs	6,785	1,587	1,073	298	7,001
Weighted Average Grant Date Fair Value	\$ 14.54	14.89	15.03	14.97	\$ 14.53
<b>KK U.K.</b>					
RSUs	7	—	—	—	7
Weighted Average Grant Date Fair Value	\$ 29.80	—	—	—	\$ 29.80
<b>Insomnia Cookies</b>					
RSUs	47	—	6	—	41
Weighted Average Grant Date Fair Value	\$ 120.21	—	74.12	—	\$ 122.42
<b>KK Australia</b>					
RSUs	185	—	22	—	163
Weighted Average Grant Date Fair Value	\$ 1.57	—	1.61	—	\$ 1.57
<b>KK Mexico</b>					
RSUs	20	—	2	—	18
Weighted Average Grant Date Fair Value	\$ 30.18	—	29.21	—	\$ 30.01

The Company recorded total non-cash compensation expense related to RSUs and PSUs under the plans of \$6.8 million and \$12.9 million for the quarter and two quarters ended June 30, 2024, respectively, and \$3.9 million and \$8.6 million for the quarter and two quarters ended July 2, 2023, respectively, which is included in Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

The unrecognized compensation cost related to the unvested RSUs and PSUs and the weighted average period over which such cost is expected to be recognized are as follows:

	As of June 30, 2024	
	Unrecognized Compensation Cost	Recognized Over a Weighted Average Period of
KKI	\$ 66,241	3.2 years
KK U.K.	83	2.0 years
Insomnia Cookies	3,056	0.8 years
KK Australia	63	1.2 years
KK Mexico	148	1.1 years

The estimated fair value of restricted stock is calculated using a market approach (i.e., market multiple is used for the KK U.K. and Insomnia Cookies plans and an agreed-upon EBITDA buyout multiple is used for KK Australia and KK Mexico plans).

**Time-Vested Stock Options**

KKI issues time-vested stock options under its Omnibus Incentive Plan. The fair value of time-vested stock options was estimated on the date of grant using the Black-Scholes option pricing model.

A summary of the status of the time-vested stock options as of December 31, 2023 and changes during the first two quarters of fiscal 2024 is presented below:

<i>(in thousands, except per share amounts)</i>	Share options outstanding at			Forfeited or Expired	Share options outstanding at	
	December 31, 2023	Granted	Exercised		June 30, 2024	
<b>KKI</b>						
Options	2,993	—	—	67		2,926
Weighted Average Grant Date Fair Value	\$ 5.90	—	—	6.10	\$	5.90
Weighted Average Exercise Price	\$ 14.30	—	—	14.61	\$	14.30

The Company recorded total non-cash compensation expense related to the time-vested stock options of \$0.9 million and \$1.8 million for the quarter and two quarters ended June 30, 2024, respectively, and \$0.9 million and \$1.8 million for the quarter and two quarters ended July 2, 2023, respectively, which is included in Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

The unrecognized compensation cost related to the stock options and the weighted average period over which such cost is expected to be recognized are as follows:

	As of June 30, 2024	
	Unrecognized Compensation Cost	Recognized Over a Weighted Average Period of
KKI	\$ 5,845	1.8 years

During the quarter and two quarters ended June 30, 2024 1.5 million time-vested stock options vested. No time-vested stock options vested during the quarter and two quarters ended July 2, 2023.

**Note 11 — Income Taxes**

For interim tax reporting, the Company estimates a worldwide annual effective tax rate and applies that rate to the year-to-date ordinary (loss)/income. The tax effects of significant unusual or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur.

The Company's effective income tax rates were 42.3% and -5.9% for the quarter and two quarters ended June 30, 2024, respectively, and 101.1% and 131.3% for the quarter and two quarters ended July 2, 2023, respectively. The Company's effective income tax rate for the quarter and two quarters ended June 30, 2024 differed from the respective statutory rates primarily due to disallowed executive compensation expense, the mix of income and taxes attributable to foreign jurisdictions, and noncontrolling interest in domestic joint ventures. The Company's effective income tax rate for the quarter and two quarters ended July 2, 2023 differed from the respective statutory rates primarily due to the mix of income and taxes attributable to foreign jurisdictions, the recognition of previously unrecognized tax benefits, disallowed executive compensation expense, noncontrolling interest in domestic joint ventures, and a discrete tax benefit unrelated to ongoing operations.

**Note 12 — Commitments and Contingencies*****Pending Litigation***

In March 2023, an employee filed a lawsuit on behalf of himself and all others similarly situated against the Company, alleging violations of the Illinois Biometric Information Privacy Act. In May 2023, the Company moved for a stay pending resolution of a similar case before the Illinois Supreme Court. The Company believes that it has meritorious defenses to the complaint and will vigorously defend against these claims. The Company has accrued an immaterial amount and management does not believe that this matter will have a material adverse effect on the Company's financial results.

***Other Legal Matters***

The Company also is engaged in various legal proceedings arising in the normal course of business. The Company maintains insurance policies against certain kinds of such claims and suits, including insurance policies for workers' compensation and personal injury, all of which are subject to deductibles. While the ultimate outcome of these matters could differ from management's expectations, management currently does not believe their resolution will have a material adverse effect on the Company's Condensed Consolidated Financial Statements.

***Other Commitments and Contingencies***

The Company's primary banks issued letters of credit on its behalf totaling \$15.4 million and \$15.4 million as of June 30, 2024 and December 31, 2023, respectively, a majority of which secure the Company's reimbursement obligations to insurers under its self-insurance arrangements.

**Note 13 — Related Party Transactions**

As of June 30, 2024 the Company held an equity ownership in five franchisees, KremeWorks USA, LLC (20% ownership), KremeWorks Canada, L.P. (25% ownership), Krispy Kreme Doughnuts France SAS ("KK France") (33% ownership), KK Brazil (45% ownership), and KK Spain (25% ownership), with an aggregate carrying value of \$5.6 million. As of December 31, 2023 the Company held an equity ownership in three franchisees, KremeWorks USA, LLC (20% ownership), KremeWorks Canada, L.P. (25% ownership), and KK France (33% ownership) with an aggregate carrying value of \$2.8 million.

**Note 14 — Revenue Recognition*****Disaggregation of Revenues***

Revenues are disaggregated as follows:

	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Company Shops, DFD and Branded Sweet Treats	\$ 413,748	\$ 387,428	\$ 833,961	\$ 780,242
Mix and equipment revenue from franchisees	15,663	12,920	28,962	30,780
Franchise royalties and other	9,398	8,534	18,584	16,810
<b>Total net revenues</b>	<b>\$ 438,809</b>	<b>\$ 408,882</b>	<b>\$ 881,507</b>	<b>\$ 827,832</b>

Other revenues include advertising fund contributions from franchisees, rental income, development and franchise fees, and licensing royalties from customers for use of the Krispy Kreme brand, such as Keurig coffee cups.

**Contract Balances**

Deferred revenue and related receivables are as follows:

	June 30, 2024	December 31, 2023	Balance Sheet Location
Trade receivables, net of allowances of \$539 and \$564, respectively	\$ 49,181	\$ 45,858	Accounts receivables, net
Deferred revenue:			
Current	\$ 20,299	\$ 22,066	Accrued liabilities
Noncurrent	8,461	6,005	Other long-term obligations and deferred credits
<b>Total deferred revenue</b>	<b>\$ 28,760</b>	<b>\$ 28,071</b>	

Trade receivables relate primarily to payments due for royalties, franchise fees, advertising fees, sale of products, and licensing fees. Deferred revenue primarily represents the Company's remaining performance obligations under gift cards and franchise and development agreements for which consideration has been received or is receivable and is generally recognized on a straight-line basis over the remaining term of the related agreement. The noncurrent portion of deferred revenue primarily relates to the remaining performance obligations in the franchise and development agreements.

**Note 15 — Net (Loss)/Earnings per Share**

The following table presents the calculations of basic and diluted EPS:

<i>(in thousands, except per share amounts)</i>	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
Net (loss)/income attributable to Krispy Kreme, Inc.	\$ (5,491)	\$ 223	\$ (14,025)	\$ (78)
Additional income attributed to noncontrolling interest due to subsidiary potential common shares	(11)	(4)	(30)	(7)
Net (loss)/income attributable to common shareholders - Diluted	\$ (5,502)	\$ 219	\$ (14,055)	\$ (85)
Basic weighted average common shares outstanding	169,095	168,184	168,890	168,162
Dilutive effect of outstanding common stock options, RSUs, and PSUs	—	2,475	—	—
Diluted weighted average common shares outstanding	169,095	170,659	168,890	168,162
<b>(Loss)/earnings per share attributable to common shareholders:</b>				
Basic	\$ (0.03)	\$ 0.00	\$ (0.08)	\$ 0.00
Diluted	\$ (0.03)	\$ 0.00	\$ (0.08)	\$ 0.00

Potential dilutive shares consist of unvested RSUs and PSUs, calculated using the treasury stock method. The calculation of dilutive shares outstanding excludes certain unvested RSUs granted under certain subsidiaries' executive ownership plans and long-term incentive plans, because their inclusion would have been antidilutive.

The following table summarizes the gross number of potential dilutive unvested RSUs and PSUs excluded due to antidilution (unadjusted for the treasury stock method):

<i>(in thousands)</i>	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
KKI	7,001	224	7,001	7,074
KK U.K.	7	7	7	7
Insomnia Cookies	—	37	—	37
KK Australia	—	—	—	185
KK Mexico	18	—	—	—

For the quarter and two quarters ended June 30, 2024 and July 2, 2023, all 2.9 million and 3.0 million time-vested stock options, respectively, were excluded from the computation of diluted weighted average common shares outstanding based on application of the treasury stock method.

**Note 16 — Segment Reporting**

The Company conducts business through the three reportable segments: U.S., International, and Market Development. Unallocated corporate costs are excluded from the Company's measurement of segment performance. These costs include general corporate expenses.

As discussed in [Note 1](#), Description of Business and Summary of Significant Accounting Policies, effective January 1, 2024, the Company realigned its segment reporting structure such that the Company-owned Canada and Japan businesses have moved from the Market Development reportable operating segment to the International reportable operating segment. All segment information has been restated to be consistent with current presentation.

The reportable segment results are as follows:

	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Net revenues:</b>				
U.S.	\$ 289,304	\$ 267,417	\$ 585,239	\$ 548,761
International	125,269	120,588	250,019	232,576
Market Development	24,236	20,877	46,249	46,495
<b>Total net revenues</b>	<b>\$ 438,809</b>	<b>\$ 408,882</b>	<b>\$ 881,507</b>	<b>\$ 827,832</b>

	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Segment Adjusted EBITDA:</b>				
U.S.	\$ 32,668	\$ 28,085	\$ 75,284	\$ 66,620
International	21,655	24,702	42,191	43,684
Market Development	12,875	10,495	24,775	22,046
Corporate	(12,472)	(14,468)	(29,336)	(28,608)
<b>Adjusted EBITDA</b>	<b>54,726</b>	<b>48,814</b>	<b>112,914</b>	<b>103,742</b>
Interest expense, net	14,452	12,063	28,188	24,051
Income tax (benefit)/expense	(3,611)	(7,563)	651	(7,246)
Depreciation and amortization expense	34,600	29,196	68,186	57,135
Share-based compensation	7,648	4,824	14,634	10,369
Employer payroll taxes related to share-based compensation	207	189	250	214
Other non-operating expense, net <sup>(1)</sup>	949	1,061	1,522	2,060
Strategic initiatives <sup>(2)</sup>	4,187	4,477	9,008	17,946
Acquisition and integration expenses <sup>(3)</sup>	851	339	1,099	430
New market penetration expenses <sup>(4)</sup>	572	241	1,038	335
Shop closure expenses, net <sup>(5)</sup>	628	1,484	767	805
Restructuring and severance expenses <sup>(6)</sup>	132	1,667	138	2,247
Gain on sale-leaseback	—	15	—	(9,646)
Other <sup>(7)</sup>	(958)	737	(973)	3,314
<b>Net (loss)/income</b>	<b>\$ (4,931)</b>	<b>\$ 84</b>	<b>\$ (11,594)</b>	<b>\$ 1,728</b>

<sup>(1)</sup> Primarily foreign translation gains and losses in each period.

<sup>(2)</sup> The quarter and two quarters ended June 30, 2024 consist primarily of costs associated with global transformation, exploring strategic alternatives for the Insomnia Cookies business, and preparing for the McDonald's U.S. expansion (with these three specific initiatives aggregating to approximately \$3.9 million and \$8.5 million for the quarter and two quarters ended June 30, 2024, respectively). The quarter and two quarters ended July 2, 2023 consists primarily of costs associated with the decision to exit the Branded Sweet Treats business, including property, plant and equipment impairments, inventory write-offs, employee severance, and other related costs.

<sup>(3)</sup> Consists of acquisition and integration-related costs in connection with the Company's business and franchise acquisitions, including legal, due diligence, and advisory fees incurred in connection with acquisition and integration-related activities for the applicable period.

<sup>(4)</sup> Consists of start-up costs associated with entry into new countries for which the Company's brands have not previously operated, including Brazil, Spain, and the Insomnia Cookies brand entering Canada and the U.K.

<sup>(5)</sup> Includes lease termination costs, impairment charges, and loss on disposal of property, plant and equipment.

<sup>(6)</sup> The quarter and two quarters ended July 2, 2023 consist primarily of costs associated with restructuring of the global executive team.

<sup>(7)</sup> The quarter and two quarters ended June 30, 2024 consist primarily of a gain from insurance proceeds received related to a shop in the U.S. that was destroyed and subsequently rebuilt. The quarter and two quarters ended July 2, 2023 consist primarily of legal and other regulatory expenses incurred outside the ordinary course of business.

**Note 17 — Subsequent Events**

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the Condensed Consolidated Financial Statements through August 8, 2024, the date the Condensed Consolidated Financial Statements were available to be issued. All subsequent events requiring recognition and disclosure have been incorporated into these Condensed Consolidated Financial Statements.

On July 15, 2024, the Company acquired the business and operating assets of nine franchise shops in the U.S. (located in Washington, Oregon, and Hawaii) and one franchise shop in Canada (located in Vancouver). The Company was a minority investor in the shops via its equity method investments in KremeWorks USA, LLC and KremeWorks Canada, L.P. prior to the acquisition. The Company paid consideration of approximately \$31.6 million, consisting of \$26.8 million of cash (exclusive of \$6.7 million proceeds for the Company's equity method investments), \$2.1 million of consideration payable to the sellers, and \$2.7 million settlement of amounts related to pre-existing relationships, to acquire substantially all of the shops' assets. The acquisition provides the opportunity to expand the Company's omni-channel strategy in the U.S. and Canada, and will be accounted for as a business combination. The results of the acquired franchise business were reported within the Market Development segment through the quarter ended June 30, 2024 and will be reported within the U.S. segment for the nine U.S. shops and the International segment for the one Canada shop following the acquisition date. As of the date of issuance of this Quarterly Report on Form 10-Q, the Company has not completed the initial accounting for this business combination.

On July 17, 2024, the Company entered into an agreement to sell shares in Insomnia Cookies in exchange for cash proceeds of approximately \$127.4 million. On August 1, 2024 the Company received additional cash of approximately \$45 million from Insomnia Cookies related to the settlement of an intercompany loan. The Company intends to use these proceeds to further strengthen its fresh doughnut business and expand availability, as well as pay down debt. Following the redemption, the Company owns approximately 34% of Insomnia Cookies. As of the date of issuance of this Quarterly Report on Form 10-Q, the Company has not completed the initial accounting for this transaction.



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

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited Consolidated Financial Statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023, and in other reports filed subsequently with the SEC.

**Cautionary Note Regarding Forward-Looking Statements**

This report contains forward-looking statements that involve risks and uncertainties. The words “believe,” “may,” “could,” “will,” “should,” “anticipate,” “estimate,” “expect,” “outlook,” “guidance,” or similar words, or the negative of these words, identify forward-looking statements. Such forward-looking statements are based on certain assumptions and estimates that we consider reasonable but are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business, prospects, growth strategy and liquidity. Accordingly, there are, or will be, important factors that could cause our actual results to differ materially from those indicated in these statements. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. Our actual results could differ materially from the forward-looking statements included herein. Factors that could cause actual results to differ from those expressed in forward-looking statements include, without limitation, the risks and uncertainties described under the headings “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed by us with the SEC and described in the other filings we make from time to time with the SEC. We believe that these factors include, but are not limited to, the impact of pandemics, changes in consumer preferences, the impact of inflation, and our ability to execute on our omni-channel business strategy. These forward-looking statements are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by applicable law, to update or revise any forward-looking or cautionary statement to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.

**Overview**

Krispy Kreme is one of the most beloved and well-known sweet treat brands in the world. Krispy Kreme operates in 40 countries with our transformational omni-channel strategy, which focuses on delivering fresh doughnuts such as our iconic Original Glazed® doughnut, which is universally recognized for its hot-off-the-line, melt-in-your-mouth experience, to where our consumers are located and want to have access to them. Global Points of Access are a key metric and we define them as our unique network of fresh Doughnut Shops, partnerships with leading retailers (DFD Doors), and a rapidly growing digital business. Our purpose of touching and enhancing lives through the joy that is Krispy Kreme guides how we operate every day and is reflected in the love we have for our people, our communities, and the planet.

The following table presents a summary of our financial results for the periods presented:

(in thousands, except percentages)	Quarter Ended			Two Quarters Ended		
	June 30, 2024	July 2, 2023	% Change	June 30, 2024	July 2, 2023	% Change
Net Revenues <sup>(1)</sup>	\$ 438,809	\$ 408,882	7.3 %	\$ 881,507	\$ 827,832	6.5 %
Net (Loss)/Income Attributable to Krispy Kreme, Inc.	(5,491)	223	-2,562.3 %	(14,025)	(78)	-17,880.8 %
Adjusted Net Income, Diluted <sup>(2)</sup>	9,108	11,399	-20.1 %	20,429	26,667	-23.4 %
Adjusted EBITDA <sup>(2)</sup>	54,726	48,814	12.1 %	112,914	103,742	8.8 %

<sup>(1)</sup> We generated 7.8% and 7.2% organic revenue growth for the quarter and two quarters ended June 30, 2024.

<sup>(2)</sup> Refer to “[Key Performance Indicators and Non-GAAP Measures](#)” below for more information as to how we define and calculate Adjusted EBITDA and Adjusted Net Income, Diluted and for a reconciliation of Adjusted EBITDA and Adjusted Net Income, Diluted to the most comparable GAAP measure.

## Significant Events and Transactions

### *Executing on our Omni-Channel Strategy*

We made strong progress on the execution of our omni-channel strategy in the second quarter of fiscal 2024, as we continue to add quality Global Points of Access across our network and convert markets into fully implemented Hub and Spoke models (refer to “Key Performance Indicators and Non-GAAP Measures” below for more information as to how we define the Hub and Spoke model). We added 1,039 new Global Points of Access in the second quarter of fiscal 2024 to reach 15,853 Global Points of Access. The primary driver of the increased Global Points of Access during the second quarter was the continued expansion of our DFD network in alignment with our transformation strategy, as we added 993 DFD Doors globally, including 299 DFD Doors to the U.S. segment and 669 DFD Doors to the International segment. The increase in DFD Doors is the result of our focus on executing our omni-channel strategy to drive our transformation, and includes expansion with key customers. We expect DFD growth to continue to be one of our most significant drivers of earnings growth, primarily through increased door count and also through optimization of revenue per door. Deployment of the omni-channel strategy in the U.S. led to our trailing four quarters Sales per Hub increasing by 6.4% from \$4.7 million in the second quarter of fiscal 2023 to \$5.0 million in the second quarter of fiscal 2024. The increase in our Sales per Hub contributed to U.S. segment organic revenue growth of 8.4% and Adjusted EBITDA margin expansion in the second quarter of fiscal 2024. Our goal is to continue to grow our Sales per Hub over time, which we believe will drive higher margins and higher return on invested capital.

In addition to grocery and convenience stores, we are also expanding in DFD channels such as Quick Service Restaurant (“QSR”) and club membership to further broaden availability of our doughnuts to consumers. This includes our QSR partnership with McDonald’s. Following a successful pilot at approximately 160 McDonald’s shops in Louisville and Lexington, Kentucky and the surrounding area, we entered into an agreement to work with McDonald’s to develop a deployment schedule for a U.S. national rollout of the sale of Krispy Kreme doughnuts at McDonald’s restaurants. The deployment schedule will set forth the anticipated launch period for each McDonald’s business unit in the U.S., with phasing expected from the fourth quarter of fiscal 2024 through the end of fiscal 2026. The agreement does not guarantee us any particular level of business unit deployment, sales, or profits.

### *Growing our Global Presence*

Another key strategic initiative on our journey to become the Most Loved Sweet Treat Brand in the World is to increase our global presence, focusing on the percentage of our revenues and Adjusted EBITDA generated outside the U.S. We expect to open in three to five new countries in fiscal 2024, with a key focus in Western Europe and select Asian and South American countries. We recently entered into agreements with franchise partners in Brazil, Germany, and Spain, with shop openings expected in the future. We expect to have further announcements throughout the year as we grow our global business.

**Digital, Brand, and Innovation**

Digital channel sales represented a healthy 22.2% of our Doughnut Shop and Cookie Bakery sales (excluding DFD) for the second quarter of fiscal 2024, up from 18.8% in the same quarter last year. Our growth in digital is due to our focus on owned channel improvements and increasing product availability through third parties.

Innovation is a significant driver of frequency as we create and introduce premium and buzz-worthy offerings to consumers across our Global Points of Access. During the second quarter of fiscal 2024 we delivered the joy that is Krispy Kreme through powerful specialty doughnuts and seasonal activations including Mother's Day, Kit Kat, and Southern Sweets with Dolly Parton, among many others around the world.



**Segment Reclassifications**

As discussed in [Note 1](#), Description of Business and Summary of Significant Accounting Policies to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q, effective January 1, 2024, we realigned our segment reporting structure such that the Company-owned Canada and Japan businesses have moved from the Market Development reportable operating segment to the International reportable operating segment. All segment information has been restated to be consistent with current presentation.

### Key Performance Indicators and Non-GAAP Measures

We monitor the key business metrics and non-GAAP metrics set forth below to help us evaluate our business and growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. The calculation of the key business metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts, or investors.

Throughout this Quarterly Report on Form 10-Q, we utilize “Global Points of Access” as a key performance indicator. Global Points of Access reflect all locations at which fresh doughnuts or cookies can be purchased. We define Global Points of Access to include all Hot Light Theater Shops, Fresh Shops, Carts and Food Trucks, DFD Doors, Cookie Bakeries, and other defined points at both Company-owned and franchise locations as of the end of the respective reporting period. We monitor Global Points of Access as a metric that informs the growth of our omni-channel presence over time and believe this metric is useful to investors to understand our footprint in each of our segments and by asset type.

The following table presents our Global Points of Access, by segment and type, as of the end of the second quarter of fiscal 2024, the second quarter of fiscal 2023, and fiscal 2023, respectively:

	Global Points of Access		
	Quarter Ended		Fiscal Year Ended
	June 30, 2024	July 2, 2023	December 31, 2023
<b>U.S.:</b>			
Hot Light Theater Shops	229	228	229
Fresh Shops	70	66	70
Cookie Bakeries	286	244	267
DFD Doors <sup>(2)</sup>	7,497	6,320	6,808
<b>Total</b>	<b>8,082</b>	<b>6,858</b>	<b>7,374</b>
<b>International:</b>			
Hot Light Theater Shops	46	44	44
Fresh Shops	502	466	483
Carts, Food Trucks, and Other <sup>(1)</sup>	18	16	16
DFD Doors	4,871	3,396	3,977
<b>Total</b>	<b>5,437</b>	<b>3,922</b>	<b>4,520</b>
<b>Market Development:</b>			
Hot Light Theater Shops	117	111	116
Fresh Shops	1,033	873	968
Carts, Food Trucks, and Other <sup>(1)</sup>	30	28	30
DFD Doors	1,154	1,080	1,139
<b>Total</b>	<b>2,334</b>	<b>2,092</b>	<b>2,253</b>
<b>Total Global Points of Access (as defined)</b>	<b>15,853</b>	<b>12,872</b>	<b>14,147</b>
Total Hot Light Theater Shops	392	383	389
Total Fresh Shops	1,605	1,405	1,521
Total Cookie Bakeries	286	244	267
<b>Total Shops</b>	<b>2,283</b>	<b>2,032</b>	<b>2,177</b>
<b>Total Carts, Food Trucks, and Other</b>	<b>48</b>	<b>44</b>	<b>46</b>
<b>Total DFD Doors</b>	<b>13,522</b>	<b>10,796</b>	<b>11,924</b>
<b>Total Global Points of Access (as defined)</b>	<b>15,853</b>	<b>12,872</b>	<b>14,147</b>

<sup>(1)</sup> Carts and Food Trucks are non-producing, mobile (typically on wheels) facilities without walls or a door where product is received from a Hot Light Theater Shop or Doughnut Factory. Other includes a vending machine. Points of Access in this category are primarily found in international locations in airports, train stations, etc.

<sup>(2)</sup> Includes over 160 McDonald’s shops located in Louisville and Lexington, Kentucky and the surrounding area as of June 30, 2024.

As of June 30, 2024, we had 15,853 Global Points of Access, with 2,283 Krispy Kreme and Insomnia Cookies branded shops, 48 Carts and Food Trucks, and 13,522 DFD Doors. During the second quarter of fiscal 2024, we added a net 44 additional shops globally, including one Hot Light Theater Shop, 34 Fresh Shops, and nine Insomnia Cookie Bakeries. We added a net 993 new DFD Doors during the quarter as we continue to focus on the deployment of our Hub and Spoke model and our expansion into QSR channels. We plan to continue adding new locations and expanding our digital platform in order to extend the availability of and access to our products. We are excited about our partnership with McDonald's and the phasing of a U.S. national rollout, which we believe has validated the attractiveness of the QSR channel.

We also utilize "Hubs" as a key performance indicator. Our transformation is driven by the implementation of an omni-channel strategy to reach more consumers where they are and drive revenue growth, and this strategy is supported by a capital-efficient Hub and Spoke distribution model that provides a route to market and powers profitability. Our Hot Light Theater Shops and Doughnut Factories serve as centralized production facilities ("Hubs"). From these Hubs, we deliver doughnuts to our Fresh Shops, Carts and Food Trucks, and DFD Doors ("Spokes") primarily through an integrated network of Company-operated delivery routes, ensuring quality and freshness. Specific to the U.S. segment, certain legacy Hubs have not historically had Spokes. Many Hubs in the U.S. segment are being converted to add Spokes while certain legacy Hubs do not currently have the ability or need to add Spokes.

The following table presents our Hubs, by segment and type, as of the end of the second quarter of fiscal 2024, the second quarter of fiscal 2023, and fiscal 2023, respectively:

	Hubs		
	Quarter Ended		Fiscal Year Ended
	June 30, 2024	July 2, 2023	December 31, 2023
<b>U.S.:</b>			
Hot Light Theater Shops <sup>(1)</sup>	222	221	220
Doughnut Factories	5	4	4
<b>Total</b>	<b>227</b>	<b>225</b>	<b>224</b>
Hubs with Spokes	151	143	149
Hubs without Spokes	76	82	75
<b>International:</b>			
Hot Light Theater Shops <sup>(1)</sup>	37	35	36
Doughnut Factories	14	14	14
<b>Total</b>	<b>51</b>	<b>49</b>	<b>50</b>
Hubs with Spokes	51	49	50
<b>Market Development:</b>			
Hot Light Theater Shops <sup>(1)</sup>	115	108	112
Doughnut Factories	26	23	23
<b>Total</b>	<b>141</b>	<b>131</b>	<b>135</b>
<b>Total Hubs</b>	<b>419</b>	<b>405</b>	<b>409</b>

<sup>(1)</sup> Includes only Hot Light Theater Shops and excludes Mini Theaters. A Mini Theater is a Spoke location that produces some doughnuts for itself and also receives doughnuts from another producing location.

***Non-GAAP Measures***

We report our financial results in accordance with GAAP; however, management evaluates our results of operations using, among other measures, organic revenue growth, adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), and Adjusted Net Income, Diluted as we believe these non-GAAP measures are useful in evaluating our operating performance.

These non-GAAP financial measures are not universally consistent calculations, limiting their usefulness as comparative measures. Other companies may calculate similarly titled financial measures differently than we do or may not calculate them at all. Additionally, these non-GAAP financial measures are not measurements of financial performance under GAAP. In order to facilitate a clear understanding of our consolidated historical operating results, you should examine our non-GAAP financial measures in conjunction with our historical Condensed Consolidated Financial Statements and notes thereto included in this Quarterly Report on Form 10-Q.

***Organic Revenue Growth***

Organic revenue growth measures our revenue growth trends excluding the impact of acquisitions and foreign currency, and we believe it is useful for investors to understand the expansion of our global footprint through internal efforts. We define “organic revenue growth” as the growth in revenues, excluding (i) acquired shops owned by us for less than 12 months following their acquisition, (ii) the impact of foreign currency exchange rate changes, (iii) the impact of shop closures related to restructuring programs such as the shop portfolio optimization program initiated for Krispy Kreme U.S. during fiscal 2022, (iv) the impact of the Branded Sweat Treats business exit, and (v) revenues generated during the 53<sup>rd</sup> week for those fiscal years that have a 53<sup>rd</sup> week based on our fiscal calendar defined in [Note 1](#), Description of Business and Summary of Significant Accounting Policies to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q. See “Results of Operations” for our organic growth calculations for the periods presented.

*Adjusted EBITDA, Adjusted Net Income, Diluted, and Adjusted EPS*

We define “Adjusted EBITDA” as earnings before interest expense, net, income tax expense, and depreciation and amortization, with further adjustments for share-based compensation, certain strategic initiatives, acquisition and integration expenses, and other certain non-recurring, infrequent or non-core income and expense items. Adjusted EBITDA is a principal metric that management uses to monitor and evaluate operating performance and provides a consistent benchmark for comparison across reporting periods.

We define “Adjusted Net Income, Diluted” as net loss attributable to common shareholders, adjusted for interest expense, share-based compensation, certain strategic initiatives, acquisition and integration expenses, amortization of acquisition-related intangibles, the tax impact of adjustments, and other certain non-recurring, infrequent or non-core income and expense items. “Adjusted EPS” is Adjusted Net Income, Diluted converted to a per share amount.

Adjusted EBITDA, Adjusted Net Income, Diluted, and Adjusted EPS have certain limitations, including adjustments for income and expense items that are required by GAAP. In evaluating these non-GAAP measures, you should be aware that in the future we will incur expenses that are the same as or similar to some of the adjustments in this presentation, such as share-based compensation. Our presentation of Adjusted EBITDA, Adjusted Net Income, Diluted, and Adjusted EPS should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA, Adjusted Net Income, Diluted, and Adjusted EPS supplementally.

The following tables present a reconciliation of net loss to Adjusted EBITDA and net loss to Adjusted Net Income, Diluted and Adjusted EPS for the periods presented:

<i>(in thousands)</i>	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Net (loss)/income</b>	<b>\$ (4,931)</b>	<b>\$ 84</b>	<b>\$ (11,594)</b>	<b>\$ 1,728</b>
Interest expense, net	14,452	12,063	28,188	24,051
Income tax (benefit)/expense	(3,611)	(7,563)	651	(7,246)
Depreciation and amortization expense	34,600	29,196	68,186	57,135
Share-based compensation	7,648	4,824	14,634	10,369
Employer payroll taxes related to share-based compensation	207	189	250	214
Other non-operating expense, net <sup>(1)</sup>	949	1,061	1,522	2,060
Strategic initiatives <sup>(2)</sup>	4,187	4,477	9,008	17,946
Acquisition and integration expenses <sup>(3)</sup>	851	339	1,099	430
New market penetration expenses <sup>(4)</sup>	572	241	1,038	335
Shop closure expenses, net <sup>(5)</sup>	628	1,484	767	805
Restructuring and severance expenses <sup>(6)</sup>	132	1,667	138	2,247
Gain on sale-leaseback	—	15	—	(9,646)
Other <sup>(7)</sup>	(958)	737	(973)	3,314
<b>Adjusted EBITDA</b>	<b>\$ 54,726</b>	<b>\$ 48,814</b>	<b>\$ 112,914</b>	<b>\$ 103,742</b>

(in thousands, except per share amounts)	Quarter Ended		Two Quarters Ended	
	June 30, 2024	July 2, 2023	June 30, 2024	July 2, 2023
<b>Net (loss)/income</b>	<b>\$ (4,931)</b>	<b>\$ 84</b>	<b>\$ (11,594)</b>	<b>\$ 1,728</b>
Share-based compensation	7,648	4,824	14,634	10,369
Employer payroll taxes related to share-based compensation	207	189	250	214
Other non-operating expense, net <sup>(1)</sup>	949	1,061	1,522	2,060
Strategic initiatives <sup>(2)</sup>	4,187	4,477	9,008	17,946
Acquisition and integration expenses <sup>(3)</sup>	851	339	1,099	430
New market penetration expenses <sup>(4)</sup>	572	241	1,038	335
Shop closure expenses <sup>(5)</sup>	628	1,484	767	805
Restructuring and severance expenses <sup>(6)</sup>	132	1,667	138	2,247
Gain on sale-leaseback	—	15	—	(9,646)
Other <sup>(7)</sup>	(958)	737	(973)	3,314
Amortization of acquisition related intangibles <sup>(8)</sup>	7,397	7,368	14,817	14,641
Loss on extinguishment of 2019 Facility <sup>(9)</sup>	—	—	—	472
Tax impact of adjustments <sup>(10)</sup>	(6,777)	(9,464)	(7,001)	(14,120)
Tax specific adjustments <sup>(11)</sup>	(226)	(1,758)	(815)	(2,315)
Net (income)/loss attributable to noncontrolling interest	(560)	139	(2,431)	(1,806)
<b>Adjusted net income attributable to common shareholders - Basic</b>	<b>\$ 9,119</b>	<b>\$ 11,403</b>	<b>\$ 20,459</b>	<b>\$ 26,674</b>
Additional income attributed to noncontrolling interest due to subsidiary potential common shares	(11)	(4)	(30)	(7)
<b>Adjusted net income attributable to common shareholders - Diluted</b>	<b>\$ 9,108</b>	<b>\$ 11,399</b>	<b>\$ 20,429</b>	<b>\$ 26,667</b>
Basic weighted average common shares outstanding	169,095	168,184	168,890	168,162
Dilutive effect of outstanding common stock options, RSUs, and PSUs	2,397	2,475	2,442	2,163
<b>Diluted weighted average common shares outstanding</b>	<b>171,492</b>	<b>170,659</b>	<b>171,332</b>	<b>170,325</b>
<b>Adjusted net income per share attributable to common shareholders:</b>				
Basic	\$ 0.05	\$ 0.07	\$ 0.12	\$ 0.16
Diluted	\$ 0.05	\$ 0.07	\$ 0.12	\$ 0.16

<sup>(1)</sup> Primarily foreign translation gains and losses in each period.

<sup>(2)</sup> The quarter and two quarters ended June 30, 2024 consist primarily of costs associated with global transformation, exploring strategic alternatives for the Insomnia Cookies business, and preparing for the McDonald's U.S. expansion (with these three specific initiatives aggregating to approximately \$3.9 million and \$8.5 million for the quarter and two quarters ended June 30, 2024, respectively). The quarter and two quarters ended July 2, 2023 consists primarily of costs associated with the decision to exit the Branded Sweet Treats business, including property, plant and equipment impairments, inventory write-offs, employee severance, and other related costs.

<sup>(3)</sup> Consists of acquisition and integration-related costs in connection with the Company's business and franchise acquisitions, including legal, due diligence, and advisory fees incurred in connection with acquisition and integration-related activities for the applicable period.

<sup>(4)</sup> Consists of start-up costs associated with entry into new countries for which the Company's brands have not previously operated, including Brazil, Spain, and the Insomnia Cookies brand entering Canada and the U.K.

<sup>(5)</sup> Includes lease termination costs, impairment charges, and loss on disposal of property, plant and equipment.

<sup>(6)</sup> The quarter and two quarters ended June 30, 2024 and July 2, 2023 consist primarily of costs associated with restructuring of the global executive team.

<sup>(7)</sup> The quarter and two quarters ended June 30, 2024 consist primarily of a gain from insurance proceeds received related to a shop in the U.S. that was destroyed and subsequently rebuilt. The quarter and two quarters ended July 2, 2023 consist primarily of legal and other regulatory expenses incurred outside the ordinary course of business.

<sup>(8)</sup> Consists of amortization related to acquired intangible assets as reflected within depreciation and amortization in the Condensed Consolidated Statements of Operations.



- (9) Includes interest expenses related to unamortized debt issuance costs from the 2019 Facility associated with extinguished lenders as a result of the March 2023 debt refinancing.
- (10) Tax impact of adjustments calculated applying the applicable statutory rates. The quarter and two quarters ended June 30, 2024 and July 2, 2023 also include the impact of disallowed executive compensation expense.
- (11) The quarter and two quarters ended June 30, 2024 consist of the recognition of previously unrecognized tax benefits unrelated to ongoing operations, a discrete tax benefit unrelated to ongoing operations, and the effect of various tax law changes on existing temporary differences. The quarter and two quarters ended July 2, 2023 consist of the recognition of a previously unrecognized tax benefit unrelated to ongoing operations, the effect of tax law changes on existing temporary differences, and a discrete tax benefit unrelated to ongoing operations.

*Sales Per Hub*

In order to measure the effectiveness of our Hub and Spoke model, we use “Sales per Hub” on a trailing four-quarter basis, which includes all revenue generated from a Hub and its associated Spokes. Sales per Hub equals Fresh Revenues from Hubs with Spokes, divided by the average number of Hubs with Spokes during the period. Fresh Revenues include product sales generated from our Doughnut Shop business (including digital channels), as well as DFD sales, but excluding all Insomnia Cookies revenues as the measure is focused on the Krispy Kreme business. The Average Hub with Spokes for a period is calculated as the average of the number of Hubs with Spokes at the end of the five most recent quarters. The Sales per Hub performance measure allows us and investors to measure our effectiveness at leveraging the Hubs in the Hub and Spoke model to distribute product and generate cost efficiencies and profitability.

Sales per Hub was as follows for each of the periods below:

	Trailing Four Quarters Ended		
	June 30, 2024	December 31, 2023	January 1, 2023
<i>(in thousands, unless otherwise stated)</i>			
<b>U.S.:</b>			
Revenues	\$ 1,141,422	\$ 1,104,944	\$ 1,010,250
Non-Fresh Revenues <sup>(1)</sup>	(3,760)	(9,416)	(38,380)
Fresh Revenues from Insomnia Cookies and Hubs without Spokes <sup>(2)</sup>	(400,618)	(399,061)	(404,430)
<b>Sales from Hubs with Spokes</b>	<b>737,044</b>	<b>696,467</b>	<b>567,440</b>
<b>Sales per Hub (millions)</b>	<b>5.0</b>	<b>4.9</b>	<b>4.5</b>
<b>International:</b>			
<b>Sales from Hubs with Spokes <sup>(3)</sup></b>	<b>\$ 507,074</b>	<b>\$ 489,631</b>	<b>\$ 435,651</b>
<b>Sales per Hub (millions) <sup>(4)</sup></b>	<b>10.1</b>	<b>10.0</b>	<b>9.7</b>

- (1) Includes the exited Branded Sweet Treats business revenues.
- (2) Includes Insomnia Cookies revenues and Fresh Revenues generated by Hubs without Spokes.
- (3) Total International net revenues is equal to Fresh Revenues from Hubs with Spokes for that business segment.
- (4) International Sales per Hub comparative data has been restated in constant currency based on current exchange rates.

In our International segment, where the Hub and Spoke model originated, Sales per Hub reached \$10.1 million, up from \$10.0 million generated in the full fiscal year 2023, and up from \$9.7 million generated in the full fiscal year 2022. The International segment illustrates the benefits of leveraging our Hub and Spoke model as the most efficient way to grow the business, as shown by the consistent Sales per Hub and higher Adjusted EBITDA margins despite elevated commodity costs and macroeconomic conditions. In the U.S. segment, we had Sales per Hub of \$5.0 million, up from \$4.9 million generated in the full fiscal year 2023 and up from \$4.5 million generated in the full fiscal year 2022. In the U.S. we continue our efforts to increase the number of quality DFD Doors served by our Hubs as the segment makes progress toward optimizing the model to look more like our International segment. As we further extend the Hub and Spoke model into existing and new markets around the world, we expect to see our Sales per Hub continue to grow.

## Results of Operations

The following comparisons are historical results and are not indicative of future results, which could differ materially from the historical financial information presented.

### Quarter ended June 30, 2024 compared to the Quarter ended July 2, 2023

The following table presents our unaudited condensed consolidated results of operations for the quarter ended June 30, 2024 and the quarter ended July 2, 2023:

<i>(in thousands, except percentages)</i>	Quarter Ended				Change	
	June 30, 2024		July 2, 2023		\$	%
	Amount	% of Revenue	Amount	% of Revenue		
<b>Net revenues</b>						
Product sales	\$ 429,411	97.9 %	\$ 400,348	97.9 %	\$ 29,063	7.3 %
Royalties and other revenues	9,398	2.1 %	8,534	2.1 %	864	10.1 %
<b>Total net revenues</b>	<b>438,809</b>	<b>100.0 %</b>	<b>408,882</b>	<b>100.0 %</b>	<b>29,927</b>	<b>7.3 %</b>
Product and distribution costs	107,846	24.6 %	111,106	27.2 %	(3,260)	-2.9 %
Operating expenses	212,504	48.4 %	189,165	46.3 %	23,339	12.3 %
Selling, general and administrative expense	64,466	14.7 %	62,582	15.3 %	1,884	3.0 %
Marketing expenses	12,416	2.8 %	9,770	2.4 %	2,646	27.1 %
Pre-opening costs	967	0.2 %	1,104	0.3 %	(137)	-12.4 %
Other (income)/expenses, net	(849)	-0.2 %	314	0.1 %	(1,163)	-370.4 %
Depreciation and amortization expense	34,600	7.9 %	29,196	7.1 %	5,404	18.5 %
<b>Operating income</b>	<b>6,859</b>	<b>1.6 %</b>	<b>5,645</b>	<b>1.4 %</b>	<b>1,214</b>	<b>21.5 %</b>
Interest expense, net	14,452	3.3 %	12,063	3.0 %	2,389	19.8 %
Other non-operating expense, net	949	0.2 %	1,061	0.3 %	(112)	-10.6 %
<b>Loss before income taxes</b>	<b>(8,542)</b>	<b>-1.9 %</b>	<b>(7,479)</b>	<b>-1.8 %</b>	<b>(1,063)</b>	<b>-14.2 %</b>
Income tax benefit	(3,611)	-0.8 %	(7,563)	-1.8 %	3,952	52.3 %
<b>Net (loss)/income</b>	<b>(4,931)</b>	<b>-1.1 %</b>	<b>84</b>	<b>— %</b>	<b>(5,015)</b>	<b>-5,970.2 %</b>
Net income/(loss) attributable to noncontrolling interest	560	0.1 %	(139)	— %	699	502.9 %
<b>Net (loss)/income attributable to Krispy Kreme, Inc.</b>	<b>\$ (5,491)</b>	<b>-1.3 %</b>	<b>\$ 223</b>	<b>0.1 %</b>	<b>\$ (5,714)</b>	<b>-2,562.3 %</b>

The following table presents a further breakdown of total net revenue and organic revenue growth by segment for the quarter ended June 30, 2024 compared to the quarter ended July 2, 2023:

<i>(in thousands, except percentages)</i>	U.S.	International	Market Development	Total Company
Total net revenues in second quarter of fiscal 2024	\$ 289,304	\$ 125,269	\$ 24,236	\$ 438,809
Total net revenues in second quarter of fiscal 2023	267,417	120,588	20,877	408,882
<b>Total Net Revenues Growth</b>	<b>21,887</b>	<b>4,681</b>	<b>3,359</b>	<b>29,927</b>
<b>Total Net Revenues Growth %</b>	<b>8.2 %</b>	<b>3.9 %</b>	<b>16.1 %</b>	<b>7.3 %</b>
Less: Impact of shop optimization program closures	(147)	—	—	(147)
Less: Impact of Branded Sweet Treats exit	(486)	—	—	(486)
Adjusted net revenues in second quarter of fiscal 2023	266,784	120,588	20,877	408,249
<b>Adjusted net revenue growth</b>	<b>22,520</b>	<b>4,681</b>	<b>3,359</b>	<b>30,560</b>
Impact of foreign currency translation	—	1,404	—	1,404
<b>Organic Revenue Growth</b>	<b>\$ 22,520</b>	<b>\$ 6,085</b>	<b>\$ 3,359</b>	<b>\$ 31,964</b>
<b>Organic Revenue Growth %</b>	<b>8.4 %</b>	<b>5.0 %</b>	<b>16.1 %</b>	<b>7.8 %</b>

Total net revenue growth of \$29.9 million, or approximately 7.3%, and organic revenue growth of \$32.0 million, or approximately 7.8%, were driven by the continued and successful execution of our omni-channel growth strategy globally, high impact brand activations, and product premiumization efforts. We have continued to increase availability through new Global Points of Access, including capital-light DFD Doors, and via digital channels. Additionally, we have continued to take pricing actions to offset cost inflation, including in the second quarter of fiscal 2024, but with growth in pricing and cost inflation slowing compared to this time last year.

U.S. segment net revenue grew \$21.9 million, or approximately 8.2%, and organic revenue increased \$22.5 million, or approximately 8.4%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024. Growth was driven by an additional 1,224 Points of Access compared to the second quarter of fiscal 2023 and continued digital channel sales growth due to a focus on owned channel improvements and increasing product availability through third parties. Organic growth was also aided by pricing increases and promotions, but offset some by softness in transactions and average transaction value which was impacted by the higher rate of discounting.

Our International segment net revenue grew \$4.7 million, or approximately 3.9%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, in spite of foreign currency translation impacts of \$1.4 million primarily from a weaker Japanese yen. International organic revenue grew \$6.1 million, or approximately 5.0%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, driven by increased pricing and Points of Access growth of 1,515 compared to the second quarter of fiscal 2023. International organic revenue growth was offset some by softer transaction volume compared to last year.

Our Market Development segment net revenue and organic revenue increased \$3.4 million, or approximately 16.1%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, driven by timing of mix and equipment sales to franchisees and the continued expansion of our international franchise business.

*Product and distribution costs (exclusive of depreciation and amortization):* Product and distribution costs decreased \$3.3 million, or 2.9%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024. As a percentage of revenue, product and distribution costs decreased by approximately 260 basis points from 27.2% in the second quarter of fiscal 2023 to 24.6% in the second quarter of fiscal 2024, primarily due to benefits from pricing actions taken to offset materials cost inflation. Additionally, we lapped \$2.7 million of inventory write-offs and employee severance expenses incurred during the second quarter of fiscal 2023 associated with the exit of the Branded Sweet Treats business.

*Operating expenses:* Operating expenses increased \$23.3 million, or 12.3%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, driven mainly by labor cost inflation and investments to support growth. Operating expenses as a percentage of revenue increased by approximately 210 basis points, from 46.3% in the second quarter of fiscal 2023 to 48.4% in the second quarter of fiscal 2024, primarily due to the impact of discounting and lower transaction volumes on operating leverage. This has been partially offset by efficiency benefits from Hub and Spoke expansion.

*Selling, general and administrative expense:* Selling, general and administrative (“SG&A”) expense increased \$1.9 million, or 3.0%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024. As a percentage of revenue, SG&A expense decreased approximately 60 basis points, from 15.3% in the second quarter of fiscal 2023 to 14.7% in the second quarter of fiscal 2024, primarily driven by cost control initiatives and lower employee cash incentive compensation in the second quarter of fiscal 2024 which offset costs associated with strategic initiatives such as global transformation and exploring strategic alternatives for Insomnia Cookies.

*Marketing expenses:* Marketing expenses increased \$2.6 million, or 27.1%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024, primarily driven by a higher cost of promotional activity relative to the incremental revenues generated.

*Other (income)/expenses, net:* Other income, net of \$0.8 million in the second quarter of fiscal 2024 was primarily driven by business interruption insurance recoveries. Other expenses, net of \$0.3 million in the second quarter of fiscal 2023 was primarily driven by property, plant and equipment impairments associated with the exit of the Branded Sweet Treats business, partially offset by business interruption insurance recoveries.

*Depreciation and amortization expense:* Depreciation and amortization expense increased \$5.4 million, or 18.5%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024. As a percentage of revenue, depreciation and amortization expense increased approximately 80 basis points, from 7.1% in the second quarter of fiscal 2023 to 7.9% in the second quarter of fiscal 2024, primarily driven by higher capital spend and assets placed into service to support the Hub and Spoke model evolution, including preparing for the acceleration of our U.S. national DFD rollout discussed in “Significant Events and Transactions” above.

*Interest expense, net:* Interest expense, net increased \$2.4 million, or 19.8%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024. The increase was primarily driven by increases in outstanding debt and the benchmark interest rates associated with the unhedged portion of our variable rate long-term debt.

*Income tax benefit:* Income tax benefit was \$3.6 million in the second quarter of fiscal 2024 compared to \$7.6 million in the second quarter of fiscal 2023. The decrease of \$4.0 million was primarily driven by lower pre-tax results and a decrease in the worldwide annual effective tax rate compared to the second quarter of fiscal 2023.

**Results of Operations by Segment – Quarter ended June 30, 2024 compared to the Quarter ended July 2, 2023**

The following table presents Adjusted EBITDA by segment for the periods indicated:

(in thousands, except percentages)	Quarter Ended		Change	
	June 30, 2024	July 2, 2023	\$	%
<b>Adjusted EBITDA</b>				
U.S.	\$ 32,668	\$ 28,085	\$ 4,583	16.3 %
International	21,655	24,702	(3,047)	-12.3 %
Market Development	12,875	10,495	2,380	22.7 %
Corporate	(12,472)	(14,468)	1,996	13.8 %
<b>Total Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 54,726</b>	<b>\$ 48,814</b>	<b>\$ 5,912</b>	<b>12.1 %</b>

<sup>(1)</sup> Refer to “[Key Performance Indicators and Non-GAAP Measures](#)” above for a reconciliation of Adjusted EBITDA to net income.

U.S. segment Adjusted EBITDA increased \$4.6 million, or 16.3%, with margin expansion of 80 basis points to 11.3% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023, driven by productivity benefits from Hub and Spoke expansion, labor and waste optimization, and lower employee cash incentive compensation, partially offset by increased promotional activity.

International segment Adjusted EBITDA decreased \$3.0 million, or 12.3%, with margin decline of 320 basis points to 17.3% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023, as softer transaction volumes continued to impact operating leverage for the International equity markets.

Market Development segment Adjusted EBITDA increased \$2.4 million, or 22.7%, with margin expansion of 280 basis points to 53.1% in the second quarter of fiscal 2024 compared to the second quarter of fiscal 2023, driven mainly by savings in SG&A and the continued expansion of our international franchise business.

Corporate expenses within Adjusted EBITDA decreased \$2.0 million, or 13.8%, from the second quarter of fiscal 2023 to the second quarter of fiscal 2024 primarily due to cost control initiatives.

**Two Quarters ended June 30, 2024 compared to the Two Quarters ended July 2, 2023**

The following table presents our unaudited condensed consolidated results of operations for the two quarters ended June 30, 2024 and the two quarters ended July 2, 2023:

<i>(in thousands, except percentages)</i>	Two Quarters Ended				Change	
	June 30, 2024		July 2, 2023		\$	%
	Amount	% of Revenue	Amount	% of Revenue		
<b>Net revenues</b>						
Product sales	\$ 862,923	97.9 %	\$ 811,022	98.0 %	\$ 51,901	6.4 %
Royalties and other revenues	18,584	2.1 %	16,810	2.0 %	1,774	10.6 %
<b>Total net revenues</b>	<b>881,507</b>	<b>100.0 %</b>	<b>827,832</b>	<b>100.0 %</b>	<b>53,675</b>	<b>6.5 %</b>
Product and distribution costs	214,861	24.4 %	228,939	27.7 %	(14,078)	-6.1 %
Operating expenses	417,699	47.4 %	380,573	46.0 %	37,126	9.8 %
Selling, general and administrative expense	136,040	15.4 %	124,050	15.0 %	11,990	9.7 %
Marketing expenses	24,531	2.8 %	19,623	2.4 %	4,908	25.0 %
Pre-opening costs	2,072	0.2 %	1,868	0.2 %	204	10.9 %
Other income, net	(649)	-0.1 %	(4,949)	-0.6 %	4,300	86.9 %
Depreciation and amortization expense	68,186	7.7 %	57,135	6.9 %	11,051	19.3 %
<b>Operating income</b>	<b>18,767</b>	<b>2.1 %</b>	<b>20,593</b>	<b>2.5 %</b>	<b>(1,826)</b>	<b>-8.9 %</b>
Interest expense, net	28,188	3.2 %	24,051	2.9 %	4,137	17.2 %
Other non-operating expense, net	1,522	0.2 %	2,060	0.2 %	(538)	-26.1 %
<b>Loss before income taxes</b>	<b>(10,943)</b>	<b>-1.2 %</b>	<b>(5,518)</b>	<b>-0.7 %</b>	<b>(5,425)</b>	<b>-98.3 %</b>
Income tax expense/(benefit)	651	0.1 %	(7,246)	-0.9 %	7,897	109.0 %
<b>Net (loss)/income</b>	<b>(11,594)</b>	<b>-1.3 %</b>	<b>1,728</b>	<b>0.2 %</b>	<b>(13,322)</b>	<b>-770.9 %</b>
Net income attributable to noncontrolling interest	2,431	0.3 %	1,806	0.2 %	625	34.6 %
<b>Net loss attributable to Krispy Kreme, Inc.</b>	<b>\$ (14,025)</b>	<b>-1.6 %</b>	<b>\$ (78)</b>	<b>— %</b>	<b>\$ (13,947)</b>	<b>-17,880.8 %</b>

The following table presents a further breakdown of total net revenue and organic revenue growth by segment for the two quarters ended June 30, 2024 compared to the two quarters ended July 2, 2023:

<i>(in thousands, except percentages)</i>	U.S.	International	Market Development	Total Company
Total net revenues in first two quarters of fiscal 2024	\$ 585,239	\$ 250,019	\$ 46,249	\$ 881,507
Total net revenues in first two quarters of fiscal 2023	548,761	232,576	46,495	827,832
<b>Total Net Revenues Growth</b>	<b>36,478</b>	<b>17,443</b>	<b>(246)</b>	<b>53,675</b>
<b>Total Net Revenues Growth %</b>	<b>6.6 %</b>	<b>7.5 %</b>	<b>-0.5 %</b>	<b>6.5 %</b>
Less: Impact of shop optimization program closures	(463)	—	—	(463)
Less: Impact of Branded Sweet Treats exit	(5,853)	—	—	(5,853)
Adjusted net revenues in first two quarters of fiscal 2023	542,445	232,576	46,495	821,516
<b>Adjusted net revenue growth</b>	<b>42,794</b>	<b>17,443</b>	<b>(246)</b>	<b>59,991</b>
Impact of foreign currency translation	—	(432)	—	(432)
<b>Organic Revenue Growth</b>	<b>\$ 42,794</b>	<b>\$ 17,011</b>	<b>\$ (246)</b>	<b>\$ 59,559</b>
<b>Organic Revenue Growth %</b>	<b>7.9 %</b>	<b>7.3 %</b>	<b>-0.5 %</b>	<b>7.2 %</b>

Total net revenue growth of \$53.7 million, or approximately 6.5%, and organic revenue growth of \$59.6 million, or approximately 7.2%, was driven by the continued and successful execution of our growth strategy deploying our omni-channel approach globally. We have continued to increase availability through new Global Points of Access, including capital-light DFD Doors, and via digital channels. Additionally, we have continued to take pricing actions to offset cost inflation, including in the first two quarters of fiscal 2024, but with growth in pricing and cost inflation slowing compared to this time last year.

U.S. segment net revenue grew \$36.5 million, or approximately 6.6%, and organic revenue increased \$42.8 million, or approximately 7.9%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024. Growth was driven by additional Points of Access compared to the first two quarters of fiscal 2023 and higher digital and delivery channel sales due to a focus on owned channel improvements and increasing product availability through third parties. Organic revenue growth was also aided by pricing increases, leading to an increase in the average transaction size, offset some by transaction declines.

Our International segment net revenue grew \$17.4 million, or approximately 7.5%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024, aided by foreign currency translation impacts of \$0.4 million. International organic revenue grew \$17.0 million, or approximately 7.3%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024, driven by additional Points of Access compared to the first two quarters of fiscal 2023 and successful marketing activations. International organic revenue growth was offset some by softer transaction volume compared to last year.

Our Market Development segment net revenue and organic revenue decreased \$0.2 million, or approximately 0.5%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024, driven by softness in our domestic franchise business.

*Product and distribution costs (exclusive of depreciation and amortization):* Product and distribution costs decreased \$14.1 million, or 6.1%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024. As a percentage of revenue, product and distribution costs decreased by approximately 330 basis points from 27.7% in the first two quarters of fiscal 2023 to 24.4% in the first two quarters of fiscal 2024, primarily due to benefits from pricing actions taken to offset materials cost inflation. Additionally, we benefited from the exit of the lower-margin Branded Sweet Treats business, and lapping the related \$10.4 million inventory write-offs and employee severance expenses incurred during the first two quarters of fiscal 2023.

*Operating expenses:* Operating expenses increased \$37.1 million, or 9.8%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024, driven mainly by labor cost inflation and investments to support growth. Operating expenses as a percentage of revenue increased approximately 140 basis points, from 46.0% in the first two quarters of fiscal 2023 to 47.4% in the first two quarters of fiscal 2024, primarily due to the impact of lower transaction volumes on operating leverage. This has been partially offset by efficiency benefits from Hub and Spoke expansion.

*Selling, general and administrative expense:* SG&A expense increased \$12.0 million, or 9.7%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024. As a percentage of revenue, SG&A expense increased approximately 40 basis points, from 15.0% in the first two quarters of fiscal 2023 to 15.4% in the first two quarters of fiscal 2024, primarily driven by higher share-based compensation expense and investments in strategic initiatives such as global transformation and exploring strategic alternatives for the *Insomnia Cookies* business, partially offset by cost control initiatives and lower employee cash incentive compensation.

*Other income, net:* Other income, net of \$0.6 million in the first two quarters of fiscal 2024 was primarily driven by business interruption insurance recoveries. Other income, net of \$4.9 million in the first two quarters of fiscal 2023 was primarily driven by a gain on a sale-leaseback transaction of \$9.6 million, partially offset by property, plant and equipment impairments associated with the exit of the *Branded Sweet Treats* business.

*Depreciation and amortization expense:* Depreciation and amortization expense increased \$11.1 million, or 19.3%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024. As a percentage of revenue, depreciation and amortization expense increased approximately 80 basis points, from 6.9% in the first two quarters of fiscal 2023 to 7.7% in the first two quarters of fiscal 2024, primarily driven by higher capital spend and assets placed into service to support the Hub and Spoke model evolution, including preparing for the acceleration of our U.S. national DFD rollout discussed in “Significant Events and Transactions” above.

*Interest expense, net:* Interest expense, net increased \$4.1 million, or 17.2%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024. The increase was primarily driven by increases in outstanding debt and the benchmark interest rates associated with the unhedged portion of our variable rate long-term debt.

*Income tax expense/(benefit):* Income tax expense was \$0.7 million in the first two quarters of fiscal 2024, while income tax benefit was \$7.2 million in the first two quarters of fiscal 2023. The fluctuation of \$7.9 million from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024 was primarily driven by lower pre-tax results and a decrease in the worldwide annual effective tax rate compared to the first two quarters of fiscal 2023.

**Results of Operations by Segment – Two Quarters ended June 30, 2024 compared to the Two Quarters ended July 2, 2023**

The following table presents Adjusted EBITDA by segment for the periods indicated:

<i>(in thousands, except percentages)</i>	Two Quarters Ended		Change	
	June 30, 2024	July 2, 2023	\$	%
<b>Adjusted EBITDA</b>				
U.S.	\$ 75,284	\$ 66,620	\$ 8,664	13.0 %
International	42,191	43,684	(1,493)	-3.4 %
Market Development	24,775	22,046	2,729	12.4 %
Corporate	(29,336)	(28,608)	(728)	-2.5 %
<b>Total Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 112,914</b>	<b>\$ 103,742</b>	<b>\$ 9,172</b>	<b>8.8 %</b>

<sup>(1)</sup> Refer to “[Key Performance Indicators and Non-GAAP Measures](#)” above for a reconciliation of Adjusted EBITDA to net income.

U.S. segment Adjusted EBITDA increased \$8.7 million, or 13.0%, with margin expansion of 80 basis points to 12.9% in the first two quarters of fiscal 2024 compared to the first two quarters of fiscal 2023 driven by benefits from lapping the exited *Branded Sweet Treats* business, productivity benefits from Hub and Spoke expansion, labor and waste optimization, and lower employee cash incentive compensation.

International segment Adjusted EBITDA decreased \$1.5 million, or 3.4%, with margin decline of 190 basis points to 16.9% in the first two quarters of fiscal 2024 compared to the first two quarters of fiscal 2023, as softer transaction volume continued to impact operating leverage for the International equity markets.

Market Development segment Adjusted EBITDA increased \$2.7 million, or 12.4%, with margin expansion of 620 basis points to 53.6% in the first two quarters of fiscal 2024 compared to the first two quarters of fiscal 2023, driven mainly by savings in SG&A and the continued expansion of our international franchise business.



Corporate expenses within Adjusted EBITDA increased \$0.7 million, or 2.5%, from the first two quarters of fiscal 2023 to the first two quarters of fiscal 2024 primarily due to higher share-based compensation expense and investments in strategic initiatives such as global transformation and exploring strategic alternatives for the Insomnia Cookies business, partially offset by cost control initiatives.

### Capital Resources and Liquidity

Our principal sources of liquidity to date have included cash from operating activities, cash on hand, amounts available under our credit facility, and vendor financing including our SCF programs and structured payables programs. Our primary use of liquidity is to fund the cash requirements of our business operations, including working capital needs, capital expenditures, acquisitions, and other commitments.

Our future obligations primarily consist of our debt and lease obligations, as well as commitments under ingredient and other forward purchase contracts. As of December 31, 2023, we had the following future obligations:

- An aggregate principal amount of \$837.5 million outstanding under the 2023 Facility;
- An aggregate principal amount of \$11.0 million outstanding under short-term, uncommitted lines of credit;
- Non-cancellable future minimum operating lease payments totaling \$759.2 million;
- Non-cancellable future minimum finance lease payments totaling \$63.3 million; and
- Purchase commitments under ingredient and other forward purchase contracts of \$130.5 million.

As of June 30, 2024, our outstanding principal amount under our 2023 Facility was \$895.0 million. The increase from the 2023 Facility balance as of December 31, 2023 included draws to fund payments on our commercial trade financing obligations. Refer to [Note 9](#), Long-Term Debt to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q for further information.

On July 17, 2024, we entered into an agreement to sell shares in Insomnia Cookies in exchange for cash proceeds of approximately \$127.4 million. On August 1, 2024 we received additional cash of approximately \$45 million from Insomnia Cookies related to the settlement of an intercompany loan. We intend to use these proceeds to further strengthen our fresh doughnut business and expand availability, as well as pay down debt. Following the redemption, we own approximately 34% of Insomnia Cookies.

We had cash and cash equivalents of \$28.6 million and \$38.2 million as of June 30, 2024 and December 31, 2023, respectively. We believe that our existing cash and cash equivalents and debt facilities will be sufficient to fund our operating and capital needs for at least the next twelve months. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary because of, and our future capital requirements will depend on, many factors, including our growth rate, the timing and extent of spending on business acquisitions, the growth of our presence in new markets, and the expansion of our omni-channel model in existing markets. We may enter into arrangements in the future to acquire or invest in complementary businesses, services, and technologies. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, and financial condition would be adversely affected.

### Cash Flows

We typically generate significant cash from operations and have substantial credit availability and capacity to fund operating and discretionary spending such as capital expenditures and debt repayments. Our requirement for working capital is not significant because our consumers pay us in cash or on debit or credit cards at the time of the sale and we are able to sell many of our inventory items before payment is due to the vendor of such items. The following table and discussion present, for the periods indicated, a summary of our key cash flows from operating, investing, and financing activities:

<i>(in thousands)</i>	Two Quarters Ended	
	June 30, 2024	July 2, 2023
Net cash provided by operating activities	\$ 15,525	\$ 46,253
Net cash used for investing activities	(65,161)	(44,102)
Net cash provided by/(used for) financing activities	40,245	(7,896)

#### Cash Flows Provided by Operating Activities

Cash provided by operations totaled \$15.5 million for the first two quarters of fiscal 2024, a decrease of \$30.7 million compared with the first two quarters of fiscal 2023. This decrease was primarily due to the intentional payoff of obligations due under our SCF programs discussed in [Note 8](#), Vendor Finance Programs to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q, as well as our receipt of \$7.7 million cash proceeds from the settlement of interest rate swap derivative contracts in the first two quarters of fiscal 2023 discussed in [Note 7](#), Derivative Instruments to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q.

#### Cash Flows Used for Investing Activities

Cash used for investing activities totaled \$65.2 million for the first two quarters of fiscal 2024, an increase of \$21.1 million compared with the first two quarters of fiscal 2023. The increase was primarily due to \$10.0 million proceeds from a sale-leaseback transaction during the first two quarters of fiscal 2023 discussed in [Note 5](#), Leases to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q, as well as higher capital expenditures in the first two quarters of fiscal 2024. Additionally, we invested \$3.5 million to acquire minority ownership interests in KK Brazil and KK Spain during the first two quarters of fiscal 2024, discussed in [Note 2](#), Acquisitions to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q.

We expect to incur additional capital expenditures related to our accelerated U.S. expansion, including via QSR channels such as the McDonald's U.S. national rollout discussed in "Significant Events and Transactions" above. We continue to expect capital expenditures to be between 7% and 8% of revenues in fiscal 2024 as we continue to deploy the capital-efficient Hub and Spoke model globally. We expect incremental cash outflows related to capital expenditures associated with the accelerated U.S. expansion primarily in 2025 and 2026, which would have an impact on our capital expenditures as a percentage of revenues during those years.

#### Cash Flows Provided by/(Used For) Financing Activities

Cash provided by financing activities totaled \$40.2 million for the first two quarters of fiscal 2024, a fluctuation of \$48.1 million compared with the first two quarters of fiscal 2023. The fluctuation was primarily due to draws on our 2023 Facility used in part to fund payments to reduce our vendor finance program obligations, particularly the SCF programs.

Payments on our structured payables resulted in a net \$52.3 million change in cash flows (net payments on structured payables of \$0.6 million in the first two quarters of fiscal 2024 compared to net payments on structured payables of \$53.0 million in the first two quarters of fiscal 2023). Refer to [Note 8](#), Vendor Finance Programs to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q for further information.

**Debt**

Our long-term debt obligations consist of the following:

<i>(in thousands)</i>	June 30, 2024	December 31, 2023
2023 Facility — term loan	\$ 665,000	\$ 682,500
2023 Facility — revolving credit facility	230,000	155,000
Short-term lines of credit	17,000	11,000
Less: Debt issuance costs	(3,847)	(4,371)
Finance lease obligations	46,653	47,117
<b>Total long-term debt</b>	<b>954,806</b>	<b>891,246</b>
Less: Current portion of long-term debt	(59,827)	(54,631)
<b>Long-term debt, less current portion</b>	<b>\$ 894,979</b>	<b>\$ 836,615</b>

*2023 Secured Credit Facility*

The 2023 Facility consists of a \$300.0 million senior secured revolving credit facility and a term loan with an original principal amount of \$700.0 million. Refer to [Note 9](#), Long-Term Debt to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q for further information.

Under the terms of the 2023 Facility, we are subject to a requirement to maintain a leverage ratio of less than 5.00 to 1.00 as of the end of each quarterly Test Period (as defined in the 2023 Facility) through maturity in March 2028. The leverage ratio under the 2023 Facility is defined as the ratio of (a) Total Indebtedness (as defined in the 2023 Facility, which includes all debt and finance lease obligations) minus unrestricted cash and cash equivalents to (b) a defined calculation of Adjusted EBITDA (2023 Facility Adjusted EBITDA) for the most recently ended Test Period. Our leverage ratio was 3.79 to 1.00 as of the end of the second quarter of fiscal 2024 compared to 3.48 to 1.00 as of the end of fiscal 2023, primarily due to the increase in long-term debt.

We were in compliance with the financial covenants related to the 2023 Facility as of June 30, 2024 and expect to remain in compliance over the next 12 months. If we are unable to meet the 2023 Facility financial or other covenants in future periods, it may negatively impact our liquidity by limiting our ability to draw on the revolving credit facility, could result in the lenders accelerating the maturity of such indebtedness and foreclosing upon the collateral pledged thereunder, and could require the replacement of the 2023 Facility with new sources of financing, which there is no guaranty we could secure.

*Short-Term Lines of Credit*

We are party to two agreements with existing lenders providing for short-term, uncommitted lines of credit up to \$25.0 million. Borrowings under these short-term lines of credit are payable to the lenders on a revolving basis for tenors up to a maximum of three months and are subject to an interest rate of adjusted term SOFR plus a credit spread adjustment of 0.10% plus a margin of 1.75%.

**Critical Accounting Policies and Estimates**

Our Condensed Consolidated Financial Statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q have been prepared in conformity with GAAP. The preparation of the Condensed Consolidated Financial Statements requires the use of judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses as well as related disclosures. We consider an accounting judgment, estimate, or assumption to be critical when (1) the estimate or assumption is complex in nature or requires a high degree of judgment and (2) the use of different judgments, estimates, and assumptions could have a material impact on our Condensed Consolidated Financial Statements. Actual results could differ from the estimates made by management.

There have been no material changes to our critical accounting policies and estimates as compared to those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” set forth in our Annual Report on Form 10-K for the year ended December 31, 2023.

**New Accounting Pronouncements**

Refer to [Note 1](#), Description of Business and Summary of Significant Accounting Policies to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q, for a detailed description of recent accounting pronouncements.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

#### ***Effects of Changing Prices – Inflation***

We are exposed to the effects of commodity price fluctuations in the cost of ingredients of our products, of which flour, sugar, and shortening are the most significant. During the second quarter of fiscal 2024, we have continued to experience headwinds from commodity inflation globally. We have undertaken efforts to effectively manage inflationary cost increases through rapid inventory turnover and reduced inventory waste, increased focus on resiliency of our supply chains, and an ability to adjust pricing of our products. Additionally, from time to time we may enter into forward contracts for supply through our vendors for raw materials which are ingredients of our products or which are components of such ingredients, including wheat, sugar, and soybean oil.

We are also exposed to the effects of commodity price fluctuations in the cost of gasoline used by our delivery vehicles. To mitigate the risk of fluctuations in the price of our fuel purchases, we may directly purchase commodity futures contracts.

#### ***Interest Rate Risk***

We are exposed to changes in interest rates on any borrowings under our debt facilities, which bear interest based on the one-month SOFR (with a floor of zero). Generally, interest rate changes could impact the amount of our interest paid and, therefore, our future earnings and cash flows, assuming other factors are held constant. To mitigate the impact of changes in SOFR on interest expense for a portion of our variable rate debt, we have entered into interest rate swaps on \$200.0 million notional of our \$912.0 million of outstanding debt under the 2023 Facility and short-term lines of credit as of June 30, 2024, which we account for as cash flow hedges. The interest rate swap agreements are scheduled to mature in March 2028. Based on the \$712.0 million of unhedged outstanding as of June 30, 2024, a 100 basis point increase or decrease in the one-month SOFR would result in a \$7.1 million increase or decrease, respectively, in interest expense for a 12-month period. We expect to increase the ratio of hedged to unhedged debt during the second half of fiscal 2024, which decreased following the maturity of our former interest rate swap agreements in the quarter ended June 30, 2024, and have entered into interest rate swap agreements with an additional aggregate notional amount of \$250.0 million subsequent to the end of the quarter ended June 30, 2024.

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

We are exposed to foreign currency translation risk on the operations of our subsidiaries that have functional currencies other than the U.S. dollar, whose revenues accounted for approximately 28% of our total net revenues through the two quarters ended June 30, 2024. A substantial majority of these revenues, or approximately \$250.0 million through the two quarters ended June 30, 2024, were attributable to subsidiaries whose functional currencies are the Canadian dollar, the British pound sterling, the Euro, the Australian dollar, the New Zealand dollar, the Mexican peso, and the Japanese yen. A 10% increase or decrease in the average exchange rate of the Canadian dollar, the British pound sterling, the Euro, the Australian dollar, the New Zealand dollar, the Mexican peso, and the Japanese yen against the U.S. dollar would have resulted in a decrease or increase of approximately \$25.0 million in our total net revenues for the two quarters ended June 30, 2024.

From time to time, we engage in foreign currency exchange and credit transactions with our non-U.S. subsidiaries, which we typically hedge. To date, the impact of such transactions, including the cost of hedging, has not been material. We do not engage in foreign currency or hedging transactions for speculative purposes.

### **Item 4. Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosure.

As of June 30, 2024, we completed an evaluation, under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our CEO and CFO concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

There were no changes during the fiscal quarter ended June 30, 2024 in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) 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

In the ordinary course of conducting our business, we have in the past and may in the future become involved in various legal actions and other claims. We may also become involved in other judicial, regulatory, and arbitration proceedings concerning matters arising in connection with the conduct of our businesses. Some of these matters may involve claims of substantial amounts. These legal proceedings may be subject to many uncertainties and there can be no assurance of the outcome of any individual proceedings. See [Note 12](#), Commitments and Contingencies, to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q for information regarding certain legal proceedings in which we are involved.

### Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in “Risk Factors” in Part 1, Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023.

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

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

#### *Adoption or Termination of Rule 10b5-1 Trading Plans*

On May 29, 2024, our Chief Accounting Officer, Kelly McBride, adopted a trading arrangement for the sale of the Company’s common stock that is intended to satisfy the affirmative defense conditions of the Securities Exchange Act Rule 10b5-1(c) (a “Rule 10b5-1 trading plan”). Mr. McBride’s Rule 10b5-1 trading plan will be effective on August 28, 2024 and has a term of one year. Mr. McBride’s Rule 10b5-1 trading plan provides for the sale of up to 16,488 shares of the Company’s common stock pursuant to the terms of such plan.

**Item 6. Exhibits**

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1*	<a href="#">Unit Purchase Agreement, dated July 17, 2024, among Insomnia Cookies Holdings, LLC, Mistral Sleepless Holdings, LLC, and Verlinvest Cookies Holdings, Inc.</a>
10.2*	<a href="#">Letter agreement, dated July 17, 2024, between Insomnia Cookies Holdings, LLC, Krispy Kreme Doughnut Corporation and Joshua Charlesworth.</a>
10.3*	<a href="#">Letter agreement, dated July 17, 2024, between Insomnia Cookies Holdings, LLC, Krispy Kreme Doughnut Corporation and Michael Tattersfield.</a>
10.4*	<a href="#">Letter agreement, dated July 17, 2024, between Krispy Kreme Doughnut Corporation and Matthew Spanjers.</a>
31.1*	<a href="#">Certification of Chief Executive Officer of Krispy Kreme, Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act.</a>
31.2*	<a href="#">Certification of Chief Financial Officer of Krispy Kreme, Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act.</a>
32.1**	<a href="#">Certifications of Chief Executive Officer and Chief Financial Officer of Krispy Kreme, Inc. pursuant to Rule 13a-14(b) or 15d-14(b) promulgated under the Exchange Act, and Section 1350 of Chapter 63 of Title 18 of the United States Code.</a>
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income/(Loss), (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Changes in Shareholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

\* Filed herewith.

\*\* Furnished herewith.



**SIGNATURES**

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Charlotte, North Carolina on August 8, 2024.

Krispy Kreme, Inc.

By: /s/ Jeremiah Ashukian

Name: Jeremiah Ashukian

Title: Chief Financial Officer

**EXECUTION VERSION**

Exhibit 10.1

**UNIT PURCHASE AGREEMENT**

**dated as of**

**July 17, 2024**

**among**

**INSOMNIA COOKIES HOLDINGS, LLC,**

**MISTRAL SLEEPLESS HOLDINGS, LLC,**

**and**

**VERLINVEST COOKIES HOLDINGS, INC.**

ARTICLE I

PURCHASE AND SALE OF PREFERRED UNITS

Section 1.1	Sale and Issuance of Preferred Units .....	2
Section 1.2	Closing .....	2
Section 1.3	Use of Proceeds.....	3
Section 1.4	Closing Deliveries and Other Actions .....	3
Section 1.5	Further Assurances.....	4
Section 1.6	Tax Withholding .....	4

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 2.1	Organization, Good Standing, Corporate Power and Qualification; Subsidiaries .....	4
Section 2.2	Capitalization .....	5
Section 2.3	Authorization .....	5
Section 2.4	No Conflicts .....	6
Section 2.5	Governmental Consents and Filings .....	6
Section 2.6	Litigation.....	6
Section 2.7	Undisclosed Liabilities.....	6
Section 2.8	Intellectual Property.....	7
Section 2.9	Title to Units .....	8
Section 2.10	Financial Statements .....	8
Section 2.11	Absence of Certain Changes .....	9
Section 2.12	Labor and Employment Matters .....	9
Section 2.13	Employee Benefits .....	11
Section 2.14	Taxes .....	12
Section 2.15	Material Contracts.....	13
Section 2.16	Environmental Matters.....	14
Section 2.17	Related Party Transactions .....	15
Section 2.18	Insurance .....	15
Section 2.19	Food Safety Matters.....	15
Section 2.20	Compliance Matters .....	16
Section 2.21	Title to Properties.....	17
Section 2.22	Brokers .....	18
Section 2.23	No Other Representations and Warranties.....	18

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASERS

Section 3.1	Organization, Good Standing, Corporate Power and Qualifications.....	18
Section 3.2	Authorization .....	18

Section 3.3	Governmental Consents and Filings .....	19
Section 3.4	No Conflicts .....	19
Section 3.5	Funding .....	19
Section 3.6	Investment Intention .....	19
Section 3.7	No Public Market.....	19
Section 3.8	Brokers.....	19
Section 3.9	No Other Representations and Warranties.....	20

#### ARTICLE IV

##### TAX MATTERS

Section 4.1	Preparation of Tax Returns .....	20
Section 4.2	Intended Tax Treatment.....	20
Section 4.3	Purchase Price Allocation.....	20
Section 4.4	Section 754 Election .....	21
Section 4.5	Pushout Election .....	21
Section 4.6	Tax Indemnification.....	21

#### ARTICLE V

##### SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Section 5.1	Survival of Representations and Warranties.....	21
-------------	---	----

#### ARTICLE VI

##### MISCELLANEOUS

Section 6.1	Expenses .....	22
Section 6.2	Publicity .....	22
Section 6.3	Amendment or Modification.....	23
Section 6.4	Waiver.....	23
Section 6.5	Entire Agreement.....	23
Section 6.6	Third-Party Beneficiaries.....	23
Section 6.7	Non-Assignability; Binding Effect .....	23
Section 6.8	Injunctive Relief.....	24
Section 6.9	Notices .....	24
Section 6.10	Governing Law; Jurisdiction; Waiver of Jury Trial.....	25
Section 6.11	Counterparts.....	26
Section 6.12	Headings; Interpretation.....	26
Section 6.13	Several Liability of Purchasers .....	26
Section 6.14	Defined Terms Used in this Agreement.....	27

Annex	
<u>Annex A</u>	Proceeds Allocation Schedule
Exhibits	
<u>Exhibit A</u>	Form of Second A&R Operating Agreement
<u>Exhibit B</u>	Form of Redemption Agreement
<u>Exhibit C</u>	Amended and Restated Intercompany Debt
<u>Exhibit D</u>	Purchase Price Allocation Methodology

## UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT (this “Agreement”), is made as of July 17, 2024, by and between (i) Insomnia Cookies Holdings, LLC, a Delaware limited liability company (the “Company”), (ii) Mistral Sleepless Holdings, LLC, a Delaware limited liability company (“Mistral Purchaser”), and (iii) Verlinvest Cookies Holdings, Inc., a Delaware corporation (“Verlinvest Purchaser,” and each of Mistral Purchaser and Verlinvest Purchaser being referred to as a “Purchaser”).

### WITNESSETH:

WHEREAS, effective concurrently with the execution and delivery of the Second A&R Operating Agreement (as defined below) and this Agreement, the Company shall effect a recapitalization such that, as of the execution and delivery of this Agreement, the capitalization of the Company consists of 2,488,800 issued and outstanding Common Units (as defined below);

WHEREAS, in connection with the Sale, and as a material inducement to the Company’s and each Purchaser’s willingness to enter into this Agreement, the Company desires to amend and restate the Existing Operating Agreement, substantially in the form attached hereto as Exhibit A (the “Second A&R Operating Agreement”), and, in connection therewith, prior to the execution and delivery of this Agreement, the Company’s board of directors (the “Board”) approved the adoption of the Second A&R Operating Agreement, which shall become effective concurrently with the execution and delivery of this Agreement;

WHEREAS, each Purchaser desires to subscribe for, and acquire upon issuance, the Preferred Units (as defined below) in exchange for such Purchaser’s Purchase Price (as defined below), in each case, on the terms and subject to the conditions set forth in this Agreement (the “Sale”);

WHEREAS, concurrently with the execution and delivery of this Agreement, as a material inducement to the Company’s and each Purchaser’s willingness to enter into this Agreement, the Company shall enter into a Redemption Agreement, substantially in the form of Exhibit B attached hereto, with (i) KKDC (the “KKDC Redemption Agreement”) and (ii) each of the Management Members (each, a “Management Redemption Agreement”), in each case, pursuant to which, among other things, the Company will use a portion of the Transaction Proceeds to redeem a portion of the outstanding Units held by KKDC and the Management Members, respectively, upon the terms and subject to the conditions set forth therein;

WHEREAS, concurrently with the execution and delivery of this Agreement, Seth Berkowitz shall enter into an employment agreement with the Company; and

WHEREAS, in connection with the Sale, concurrently with the execution and delivery of this Agreement, the Company shall amend and restate the Existing Intercompany Debt substantially in the form of Exhibit C attached hereto (the “Amended and Restated Intercompany Debt”).

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements set forth herein, and subject to the terms set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

## ARTICLE I

### PURCHASE AND SALE OF PREFERRED UNITS

#### Section 1.1 Sale and Issuance of Preferred Units.

(a) Subject to the terms and conditions of this Agreement:

(i) Mistral Purchaser agrees to purchase at the Closing (as defined below), and the Company agrees to sell and issue to Mistral Purchaser at the Closing 492,522.13 Series A Preferred Units (the "Preferred Units") at a per Unit price of \$126.0857.

(ii) Verlinvest Purchaser agrees to purchase at the Closing, and the Company agrees to sell and issue to Verlinvest Purchaser at the Closing 622,592.39 Preferred Units at a per Unit price of \$126.0857.

(iii) The Preferred Units issued to each Purchaser pursuant to this Agreement shall be referred to in this Agreement as the "Units." The Preferred Units will not be certificated and will be represented by entries on the Company's books and records in accordance with the Second A&R Operating Agreement.

(b) In consideration for the Units, at the Closing, Mistral Purchaser shall deliver to the Company (or its specified designee), in cash, an aggregate amount equal to \$62,100,000 (the "Mistral Purchase Price"), and Verlinvest Purchaser shall deliver to the Company (or its specified designee), in cash, an aggregate amount equal to \$78,500,000 (the "Verlinvest Purchase Price"); *provided, however*, that for administrative convenience the Purchase Price delivered to the Company (or its specified designee) in accordance with this Section 1.1(b) shall be reduced by an amount equal to such Purchaser's applicable portions of the Purchaser Transaction Fees and Expenses; *provided*, that (i) at least two (2) Business Days prior to the Closing, each Purchaser shall deliver to the Company invoices reasonably documenting the Purchaser Transaction Fees and Expenses; (ii) in no event shall the Mistral Purchaser Transaction Fees and Expenses exceed \$2,800,000; and (iii) in no event shall the Verlinvest Purchaser Transaction Fees and Expenses exceed \$150,000. Notwithstanding the foregoing, each Purchaser shall be deemed to have contributed to the Company such Purchaser's entire Purchase Price for all purposes of the Second A&R Operating Agreement.

Section 1.2 Closing. Upon the terms and subject to the conditions set forth in this Agreement, the closing of the purchase and sale of the Units (the "Closing") shall be effected on the date hereof and occur simultaneously with the execution hereof (the "Closing Date") remotely by the exchange of documents and signatures by electronic transmission on the Closing Date, unless another place, time or date is agreed to in writing by the Parties. All deliveries to be made or other actions to be taken at the Closing shall be deemed to occur simultaneously, and no such

delivery or action shall be deemed complete until all such deliveries and actions have been completed or the relevant Parties have agreed to waive such delivery or action. If the Closing does not occur, any delivery made or other action taken at the Closing shall be deemed not to have occurred and be without force or effect.

Section 1.3 Use of Proceeds.

(a) At the Closing, the Company (or either Purchaser acting on the Company's behalf) shall use the proceeds from the sale of the Units (the "Transaction Proceeds") as follows:

(i) \$127,350,000 to redeem 1,010,027.27 of the outstanding Common Units held by KKDC at the price per Unit set forth next to KKDC's name on the Proceeds Allocation Schedule and in accordance with the KKDC Redemption Agreement; and

(ii) 10,300,000 to redeem an aggregate of 81,690.47 of the outstanding Common Units held by those members of Company management set forth in the Proceeds Allocation Schedule (each member, a "Management Member" and collectively, the "Management Members") at the price per Unit set forth next to each Management Member's name on the Proceeds Allocation Schedule and in accordance with each Management Member's respective Management Redemption Agreement.

(b) Any remaining proceeds after giving effect to the foregoing shall be retained by the Company for general corporate purposes.

Section 1.4 Closing Deliveries and Other Actions. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (other than items set forth in Section 1.4(a)(ii), which shall be delivered by the Company to each Purchaser at least two (2) Business Days prior to the Closing):

(a) The Company shall deliver, or cause to be delivered, to each Purchaser:

(i) counterparts to the Second A&R Operating Agreement duly executed by the Company and each other party thereto (other than Purchasers);

(ii) from each Redeemed Member, a valid and complete IRS Form W-9; and

(iii) except in the case where such Purchaser makes such payments on behalf of the Company, reasonable evidence of the completion of the payments contemplated by Section 1.3.

(b) (i) Mistral Purchaser shall deliver, or cause to be delivered, to the Company and Verlinvest Purchaser, a counterpart to the Second A&R Operating Agreement duly executed by Mistral Purchaser and (ii) Verlinvest Purchaser shall deliver, or cause to be delivered, to the Company and Mistral Purchaser, a counterpart to the Second A&R Operating Agreement duly executed by Verlinvest Purchaser.



Section 1.5 Further Assurances. On, and from time to time after, the Closing Date, the Parties shall execute and deliver, or cause to be executed and delivered, such other instruments of conveyance, assignment, transfer, delivery and assumption as either Purchaser or the Company may reasonably request in order to fulfill and implement the terms of this Agreement or the other Transaction Documents or to otherwise enable the Parties to realize the benefits intended to be afforded hereby.

Section 1.6 Tax Withholding. All payments hereunder shall be made free and clear of, and without deduction for, any and all present and future Taxes or duties imposed by any Governmental Authority. In the event that any payor is required by applicable Law to make any payment subject to deduction and/or withholding (except with respect to payments in the nature of compensation to be made to employees or former employees), then such payor shall not subject such payments to deduction and/or withholding unless such payor (i) provides the applicable payee with written notice as soon as reasonably practicable prior to making any deduction or withholding from the consideration otherwise payable to any Person under this Agreement, (ii) takes commercially reasonable efforts to cooperate in good faith with the applicable payee to seek to eliminate or reduce any such withholding or deduction, and (iii) provides the applicable payee a reasonable opportunity to provide any applicable certificates, forms or other documentation that would eliminate or reduce the requirement to deduct or withhold under applicable Law. To the extent that such amounts are so withheld and timely paid over to or deposited with the relevant Governmental Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the applicable Person in respect to which such deduction and withholding was made. Notwithstanding anything to the contrary in this Section 1.6, no deduction or withholding shall be made with respect to any payment to the Company or any Redeemed Member pursuant to this Agreement if a valid and complete IRS Form W-9 for each Redeemed Member is delivered to each Purchaser as required under Section 1.4(a)(ii).

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to each Purchaser that, except as disclosed in the disclosure schedule delivered by the Company to such Purchaser concurrently with the execution and delivery by such Purchaser of this Agreement (the "Company Disclosure Schedules") (it being understood that any information set forth in one section or subsection of the Company Disclosure Schedules shall be deemed to apply to and qualify each other section or subsection of this Agreement to the extent that it is reasonably apparent from the face of such disclosure that such disclosure is applicable to such other section or subsection), as of the date hereof:

#### Section 2.1 Organization, Good Standing, Corporate Power and Qualification; Subsidiaries.

(a) The Company is a limited liability company duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all requisite limited liability company power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted, except where the failure to be in good standing or

have such power or authority has not had and would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(b) Each of the Company's Subsidiaries is a legal entity duly organized, validly existing and, to the extent legally applicable, in good standing under the laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted, except where the failure to be in good standing or have such power or authority has not had and would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(c) Schedule 2.1(c) sets forth a complete and accurate list of each Subsidiary of the Company, including such Subsidiary's jurisdiction of formation. The Company does not have any Subsidiaries that are not wholly owned by the Company or one of its other Subsidiaries.

(d) The Company has made available to each Purchaser complete and correct copies of the Company's Organizational Documents and the Organizational Documents of each of the Company's Subsidiaries, in each case, as amended through the date of this Agreement, and each as so delivered is in full force and effect.

Section 2.2 Capitalization. The issued and outstanding Units of the Company consist of 2,488,800 Common Units, each of which are held of record as set forth on Schedule 2.2(a). All of the issued and outstanding Common Units have been duly authorized and validly issued pursuant to the Company's Organizational Documents and applicable Law. Immediately following the Closing, the issued and outstanding equity interests of the Company will consist solely of (i) Preferred Units, (ii) Common Units, and (iii) Mistral Incentive Units, and Schedule 2.2(b) sets forth a capitalization table listing all equityholders of the Company and their respective ownership of such Preferred Units, Common Units, and/or Mistral Incentive Units as of immediately following the Closing and the consummation of the redemption transactions contemplated by Section 1.3(a). Other than the Subsidiaries, neither the Company nor any of its Subsidiaries owns or holds any equity interests in any Person. Except as expressly contemplated by this Agreement or the other Transaction Documents or as set forth on Schedule 2.2, (a) no capital stock, limited liability company interests or other equity securities (including any options, warrants or rights or other security convertible into or exercisable or exchangeable for any capital stock, limited liability company interest or other equity security) of the Company or any of its Subsidiaries are or may become required to be issued by reason of any security, Contract or other obligation, (b) there are no Contracts, commitments or other obligations by which the Company or any Subsidiary is or may be bound to sell or otherwise transfer or repurchase, redeem or otherwise acquire or register any capital stock, limited liability company interests or other equity securities of the Company, and (c) there are no Contracts, commitments or other obligations relating to the right to vote or dispose of any capital stock, limited liability company interest or other equity security of the Company or any Subsidiary.

Section 2.3 Authorization. All limited liability company action required to be taken by the Board and the members of the Company in order to authorize the Company to enter into the Transaction Documents, and to issue the Units at the Closing, has been taken. All action on the part of the Company necessary for the execution and delivery of the Transaction Documents, the

performance of all obligations of the Company under the Transaction Documents to be performed as of the Closing, and the issuance and delivery of the Units has been taken. The Transaction Documents, when executed and delivered by the Company, shall constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or other laws of general application relating to or affecting the enforcement of creditors' rights generally and general equitable principles (whether considered in a proceeding in equity or law) (the "Enforceability Exceptions").

Section 2.4 No Conflicts. The execution and delivery of each Transaction Document intended to be executed by the Company, and the performance of its obligations thereunder and the consummation of the Transactions will not (a) conflict with, or result in a violation or breach of, or default under, or require the consent of or notice to any other Person under, any provision of the Company's or its Subsidiaries' respective Organizational Documents, (b) require the consent of or notice to any Person under, conflict with, result in a violation or breach of any provision of, constitute a default (or an event which with notice or lapse of time or both would become a default) or give to any Third Party any right of termination, cancellation, amendment or acceleration under, result in the creation of a Lien on any of their respective properties under, or the loss or deferral of any right or the creation or acceleration of any obligation under, any of the terms, conditions or provisions of any Material Contract to which the Company or its Subsidiaries is a party, or by which any of them or any of their respective properties or assets may be bound or subject, or any material Permit held by the Company or any of its Subsidiaries, or (c) violate or conflict with any Law applicable to the Company or any of its Subsidiaries or any of their respective properties, assets or businesses, except, in the cases of clauses (b) through (c) above, as would not reasonably be expected to have a material impact on the Company and its Subsidiaries taken as a whole.

Section 2.5 Governmental Consents and Filings. Assuming the accuracy of the representations made by each Purchaser in Article III of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement and the Transaction Documents to which the Company or any of its Subsidiaries is a party, or the consummation of the Transactions.

Section 2.6 Litigation. There is no Proceeding pending or, to the Company's knowledge, currently threatened in writing against or by the Company or any of its Subsidiaries or, to the Company's knowledge, any other Affiliate of the Company (a) affecting any of the properties or assets of the Company or any of its Subsidiaries, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; or (b) that challenges, seeks to, or would reasonably be expected to, prevent, enjoin or otherwise materially delay the consummation of the Transactions.

Section 2.7 Undisclosed Liabilities. At the Closing, the Company and its Subsidiaries will have no Liabilities of a type required to be reflected on a balance sheet prepared in accordance with GAAP, other than (i) Liabilities adequately reflected or reserved against in the Most Recent Financial Statements as of the Balance Sheet Date, (ii) Liabilities incurred under, or in connection with, any Transaction Document or the announcement, negotiation, execution or performance of this Agreement or the Transactions, (iii) Liabilities incurred in the ordinary course of business

consistent with past practice since the Balance Sheet Date (none of which is a Liability for breach of contract, breach of warranty, tort, infringement or violation of Law), (iv) Liabilities set forth in Schedule 2.7, and (v) Liabilities which are not, individually or in the aggregate, material in amount.

Section 2.8 Intellectual Property.

(a) Schedule 2.8(a) of the Company Disclosure Schedules sets forth a complete and accurate list of all U.S. and foreign applications and registrations (including issued patents, trademarks, copyrights and domain names) for any Intellectual Property owned by the Company and its Subsidiaries. The Company or one of its Subsidiaries is the sole and exclusive owner of each such application and registration, and the foregoing applications and registrations are in effect and subsisting, enforceable and, to the Company's knowledge, valid.

(b) The Company and its Subsidiaries own, or have a valid right to use, pursuant to a valid, enforceable license or similar agreement, all material items of Intellectual Property used or held for use in, or necessary to conduct, their respective businesses.

(c) Except as set forth on Schedule 2.8(c), (i) to the knowledge of the Company, the Company and its Subsidiaries (including the conduct of their respective businesses and their respective products, services, marketing and advertising) are not infringing, diluting, misappropriating or otherwise violating (and since the Reference Date, have not infringed, diluted, misappropriated or otherwise violated) any Person's Intellectual Property, (ii) there is (and, since the Reference Date, has been), no such claim or Action pending or, to the Company's knowledge, threatened in writing (including in the form of unsolicited invitations to obtain a license) against the Company or any of its Subsidiaries alleging any such infringement, dilution, misappropriation or other violation of any Person's Intellectual Property, and (iii) there is (and, since December 31, 2023, has been) no Proceeding pending or threatened in writing challenging the validity of, or the Company's or its Subsidiaries' right to register, any application or registration for Intellectual Property.

(d) (i) To the Company's knowledge, no Person is infringing, diluting, misappropriating or otherwise violating any Intellectual Property owned by the Company or its Subsidiaries, and (ii) no such claims by the Company are pending or threatened in writing against any Person by the Company or any of its Subsidiaries.

(e) The Company's employees, consultants, advisors, and independent contractors who independently or jointly contributed to or otherwise participated in the authorship, invention, creation, improvement, modification or development of any Intellectual Property for or on behalf of the Company have entered into valid and enforceable written agreements (each, a "Confidential Information Agreement"), with the Company pursuant to which such Person agrees to maintain and protect confidential and proprietary information of the Company and assigns to the Company, using present, affirmative assignment terms, all Intellectual Property authored, invented, created, improved, modified or developed by such person in the course of such Person's employment or other engagement with the Company, all in accordance with all applicable laws.

(f) The Company uses commercially reasonable measures to protect its confidential information, including all recipes used by the Company and any other trade secrets

owned by or otherwise in the possession of the Company. To the Company's knowledge, no such confidential information has been disclosed or permitted to be disclosed to any Person (except under a written obligation of confidence), and, to the Company's knowledge, all such confidential information held outside of the Company is subject to contractual confidentiality obligations to which the Company is a party and able to enforce.

(g) There are no orders, writs, injunctions or decrees to which the Company or any of its Subsidiaries is subject with respect to any Intellectual Property owned (or to the Company's knowledge, used) by the Company or its Subsidiaries.

(h) The Company and its Subsidiaries are, and since the Reference Date have been, in compliance in all material respects with their respective obligations under all applicable Laws, the Payment Card Industry Data Security Standard (and related rules and regulations), and all of their respective written and published policies and contractual obligations relating to privacy, data protection, and the collection, storage, retention, transmission, disclosure, processing, protection, and use of Personal Information (the "Privacy Requirements"). The Company and its Subsidiaries have implemented reasonable measures to safeguard the information, including Personal Information, processed by or on behalf of the Company and its Subsidiaries and, there has been no unauthorized access to, disclosure of, or other misuse of any such information, including Personal Information, collected, stored, transmitted, or processed by or on behalf of, or any unauthorized access to the information technology systems owned or used by, the Company or any of its Subsidiaries. No Proceedings have been asserted in writing or, to the Company's knowledge, threatened against the Company or any of its Subsidiaries alleging a violation by the Company or any of its Subsidiaries of any applicable Privacy Requirements.

Section 2.9 Title to Units. At the Closing, each Purchaser will acquire sole beneficial, record, and legal ownership of their respective portion of the Units, which will be, at the time of issuance, duly authorized and validly issued and free and clear of all Liens (other than (i) transfer restrictions under the Second A&R Operating Agreement and applicable securities Laws or (ii) Liens granted by such Purchaser).

Section 2.10 Financial Statements.

(a) Schedule 2.10 sets forth complete copies of the following financial information: (i) the unaudited consolidated balance sheets of the Company and its Subsidiaries as of January 1, 2024 and January 2, 2023, and the related unaudited consolidated statements of income for the years then ended (the "Financial Statements"), and (ii) the unaudited consolidated balance sheet of the Company and its Subsidiaries as of April 30, 2024 (the "Balance Sheet Date"), and the related unaudited consolidated statements of income for the four (4) months then ended (the "Most Recent Financial Statements").

(b) The Financial Statements and the Most Recent Financial Statements have been prepared from the books, records and accounts of the Company and its Subsidiaries. The Financial Statements and the Most Recent Financial Statements present fairly, in all material respects, the financial position of the Company on a consolidated basis with the Subsidiaries of the Company as of the dates and for the periods referred to therein and reflect the consistent application of accounting policies throughout the periods indicated. The Financial Statements and

the Most Recent Financial Statements were derived from the Company's reported financial information.

Section 2.11 Absence of Certain Changes. Since December 31, 2023, (a) the Company and its Subsidiaries have conducted their respective businesses in the ordinary course of business (except for actions related to the Transactions or the announcement, negotiation, execution or performance of this Agreement), (b) there has not been any Event(s) which has had, or would, individually or in the aggregate with all other Events, reasonably be expected to have, a Material Adverse Effect.

Section 2.12 Labor and Employment Matters.

(a) Neither the Company nor any of its Subsidiaries is, or ever has been, party to any Collective Bargaining Agreement (excluding any agreement at the national, industry or sector level) with any labor organization. No labor organization currently represents, or has ever represented, any of the employees of the Company or any of its Subsidiaries with respect to their employment with the Company or any of its Subsidiaries. To the Company's knowledge, (i) no labor organizing activities with respect to any employees of the Company or any of its Subsidiaries are ongoing or threatened on behalf of any labor organization with respect to employees of the Company or any of its Subsidiaries, and (ii) no such labor organizing activities have occurred in the past five (5) years. Neither the Company nor any of its Subsidiaries is subject to any material strike, lockout, grievance or labor arbitration with any labor organization representing the employees of the Company or any of its Subsidiaries, and to the Company's knowledge, (i) no such disputes are pending or threatened, and (ii) no such event(s) have occurred in the past five (5) years.

(b) The Company and its Subsidiaries are, and have been since the Reference Date, in compliance in all material respects with all applicable Laws and Material Contracts respecting employment, employment practices, terms and conditions of employment, wages and hours, discrimination, harassment, retaliation, overtime exemption classification, independent contractor classification, labor relations, plant closures and layoffs (including under the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar Laws (collectively, the "WARN Act")), occupational health and safety, workers' compensation, unemployment insurance, parental leave benefits, pay equity, disability rights, accessibility, leave of absence requirements, privacy right, retaliation, immigration control (including the completion of Forms I-9 for all employees and the proper confirmation of employee visas), wrongful discharge, or other violation of the rights of employees, former employees or employment candidates. The Company and its Subsidiaries have properly classified each of their respective employees and independent contractors as "employees" or "independent contractors" and as "exempt" or "non-exempt" for all purposes (including under the Fair Labor Standards Act (the "FLSA") and applicable state and local Laws) and have properly reported all compensation paid to such persons for all purposes.

(c) Except as set forth on Schedule 2.12(c), within the last six (6) years, (i) the Company and its Subsidiaries have paid in full to all of their respective employees, consultants and independent contractors, or adequately accrued for in accordance with GAAP, all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of all such

employees, consultants and independent contractors of the Company and/or its Subsidiaries, (ii) no claim that would be material to the Company and its Subsidiaries, taken as a whole, with respect to payment of wages, salary or overtime pay is pending or, to the Company's knowledge, threatened before any Governmental Authority with respect to any persons currently or formerly employed by the Company and/or its Subsidiaries, (iii) the Company and its Subsidiaries have withheld all amounts required by Law or by agreement to be withheld from the wages, salaries and other payments that have become due and payable to employees, (iv) the Company and its Subsidiaries are not liable for any arrears of wages, compensation or related Taxes, penalties, or other sums with respect to their respective employees, and (v) the Company and its Subsidiaries are not a party to, or otherwise bound by, any consent decree with, or Order or citation by, any Governmental Authority, relating to their respective employees or employment practices. The Company and its Subsidiaries do not have any material liabilities for any delinquent payment to any trust or other fund or to any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for Company and/or its Subsidiaries employees (other than routine payments to be made in the ordinary course of business and consistent with past practice).

(d) Except as set forth on Schedule 2.12(d), within the last three (3) years, there have been no pending or, to the Company's knowledge, threatened charges, complaints, arbitrations, audits, or investigations before any Governmental Authority brought against the Company and/or its Subsidiaries by or on behalf of any current or former employee (or any person alleging to be an employee), any applicant for employment, independent contractor, consultant, or any class of the foregoing, or any Governmental Authority on behalf of any of the foregoing, that involve the labor or employment relations and practices of the Company and/or its Subsidiaries or otherwise relate to violations of any Laws or Orders, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(e) Except as set forth on Schedule 2.12(e), the employment of each of the employees of the Company and/or its Subsidiaries is "at will" and the Company has no obligation to provide any particular form or period of notice prior to terminating the employment of any of its employees and/or any payment of severance or other compensation or consideration in connection with such termination of employment.

(f) Within the last five (5) years, the Company and its Subsidiaries have not implemented any plant closing or layoff of employees that could implicate the WARN Act, nor is there presently any outstanding liability under the WARN Act with respect to any such actions, and as of the date hereof, no such plant closings or employee layoffs are currently planned or have been announced by the Company and/or its Subsidiaries. Within the last five (5) years, the Company and its Subsidiaries have not been a party to any Action or Order involving, or had any liabilities with respect to, any single employer, joint employer or co-employer claims or causes of action by any individual who was employed or engaged by a third party but providing services to the Company and/or its Subsidiaries. Each third-party providing individuals to the Company and/or its Subsidiaries, including without limitation as a single employer, joint employer or co-employer, on a temporary, seasonal or leased basis is in compliance in all material respects with all applicable labor and employment Laws. The Company and its Subsidiaries do not have reason to believe they are a single employer, joint employer or co-employer of any individuals with any third party.

(g) All employees of the Company and its Subsidiaries are legally authorized to work in the United States. The Company and/or its Subsidiaries have properly completed all reporting and verification requirements pursuant to Law relating to immigration control for all of its employees, including the Form I-9, and have retained such Forms I-9 for the periods required under applicable Law. The Company and its Subsidiaries have not received any written notice from any Governmental Authority that the Company and/or its Subsidiaries are in violation of any Law pertaining to immigration control or that any current, former employee, agent or contractor of the Company and/or its Subsidiaries is or was not legally authorized to be employed in the United States or is or was using an invalid social security number, and there is no pending, or to the Company's knowledge threatened, charge or complaint under the Immigration Reform and Control Act of 1986 against the Company.

(h) Except as set forth on Schedule 2.12(h), within the past three (3) years, the Company and its Subsidiaries have not: (i) received written notice of any material complaints, claims, allegations or other contentions, whether made internally to the Company and/or its Subsidiaries (or a representative thereof) or externally to any Governmental Authority or other third party, which were made, whether formally or informally, concerning or regarding discrimination, harassment, retaliation or other misconduct based on any characteristic protected under applicable Law (including, without limitation, sexual harassment, sexual misconduct and/or sex-based discrimination), which were made by or against, or otherwise involved any act or omission of, any director, officer, executive, employee, consultant, independent contractor or other person working for or directly providing services to the Company and/or its Subsidiaries (collectively, "Discrimination Complaints"); or (ii) entered into a settlement of, or made any payment arising out of or in any way related to, any Discrimination Complaint.

Section 2.13 Employee Benefits. Each Employee Plan has been, in all material respects, established, maintained, operated and administered in accordance with its terms and with all applicable laws. Each Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS on which the Company is entitled to rely, and there are no facts or circumstances that could reasonably be expected to cause the loss of such qualification or the imposition of material liability.

(a) No Employee Plan (i) is subject to Title IV of ERISA, (ii) is a "multiemployer plan" as defined in Section 3(37) of ERISA, (iii) a "multiple employer plan" as described in Section 413(c) of the Code, (iv) a "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA, or (v) provides any post-retirement medical, dental or life insurance benefits to any Service Provider (other than coverage mandated by applicable Law). No Liability under Title IV of ERISA has been incurred by the Company or any of its ERISA Affiliates which has not been satisfied in full, and no event has occurred and no circumstance exists that would result in the Company or its ERISA Affiliates incurring a Liability under Title IV of ERISA that would result in any Liability to the Company and its Affiliates.

(b) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (either alone or in combination with another event): (i) result in any payment or benefits becoming due, or increase the amount of any compensation due, to any Service Provider; (ii) result in the acceleration of the payment or vesting of any compensation or benefits due to any Service Provider; (iii) result in the payment of any amount due to any Service Provider



that could, individually or in combination with any other such payment, constitute an “excess parachute payment,” as defined in 280G(b)(1) of the Code; or (iv) entitle any Service Provider to receive a “gross up” payment for any income or other taxes that might be owed with respect to any such payment or benefit.

Section 2.14 Taxes.

(a) For all taxable periods beginning on or after the Reference Date, for which the period of assessment or collection has not lapsed:

(i) (A) all income and other material Tax Returns required to be filed by or on behalf of the Company and its Subsidiaries have been duly and timely filed with the appropriate Tax Authority (after giving effect to any valid extensions of time in which to make such filings), except where the failure to duly and timely file would not have a Material Adverse Effect; and (B) the Company and its Subsidiaries have paid, when due, all income and other material Taxes required to be paid, except where the failure to pay such amounts would not have a Material Adverse Effect;

(ii) the Company and its Subsidiaries have complied in all material respects with all applicable Laws in force at the applicable time relating to the payment, collection or withholding of Taxes, except where failure to comply would not have a Material Adverse Effect; and

(iii) all material deficiencies asserted, or assessments made in respect of Tax Returns filed by or on behalf of the Company and its Subsidiaries that have been claimed in writing by any Governmental Authority (A) have been fully paid or reserved for in full on the books and records or (B) are being contested in good faith, except for such deficiencies or assessments that would not have a Material Adverse Effect.

(b) There are no pending Proceedings with any Governmental Authority with respect to any Taxes of the Company or its Subsidiaries, and neither the Company nor any Subsidiary of the Company has received written notice from any Governmental Authority that it intends to commence such Proceedings, in each case, except for Proceedings the outcome of which would not have a Material Adverse Effect.

(c) There is no extension of any statute of limitations on the assessment of any Taxes granted by the Company or any of its Subsidiaries currently in effect other than extensions attributable to extensions of the due date for filing Tax Returns.

(d) There is no agreement to any extension of time for filing any Tax Return currently outstanding other than extensions granted automatically under applicable Law.

(e) No written (or, to the Company’s knowledge, any other) claim has ever been made by any Governmental Authority in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or such Subsidiary, as applicable, is or may be subject to taxation by that jurisdiction.

(f) There are no Liens for Taxes upon any assets of the Company or any Subsidiary of the Company other than (i) Permitted Liens or (ii) such other Liens that would not have a Material Adverse Effect.

(g) The Company is, and has throughout its existence been, classified as a partnership for U.S. federal income tax purposes.

(h) Neither the Company nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any tax period (or portion thereof) ending after the Closing Date as a result of any (i) change in method of accounting for a tax period ending on or prior to the Closing Date, (ii) “closing agreement” described in Section 7121 of the Code (or any corresponding or similar provision of state, local, or foreign Tax Law) executed on or prior to the Closing Date, (iii) installment sale or open transaction disposition made on or prior to the Closing Date, or (iv) prepaid amount received on or prior to the Closing Date outside of the ordinary course of business.

(i) The representations and warranties set forth in this Section 2.14 are the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to Tax matters. The Company and its Subsidiaries make no representation or warranty regarding the amount, value or condition of, or any limitations on, any Tax asset or attribute of the Company or its Subsidiaries (including, but not limited to, net operating losses) or the ability of the Company or its Subsidiaries to utilize any such Tax asset or attribute in any taxable period, or any portion thereof, beginning after the Closing Date.

Section 2.15 Material Contracts.

(a) Schedule 2.15(a) sets forth a correct and complete list of the following Contracts to which each of the Company or any of its Subsidiaries is a party or by which or any of their respective assets is bound as of the date hereof and which have not been entirely fulfilled or performed (other than Real Property Leases) (collectively, “Material Contracts”):

(i) any Contract involving payments by the Company or any of its Subsidiaries of more than \$750,000 during the twelve (12) month period immediately preceding December 31, 2023 (other than Contracts that are terminable by the Company or the applicable Subsidiary without penalty on ninety (90) days’ notice or less);

(ii) any Contract involving payments to the Company or any of its Subsidiaries of more than \$750,000 during the twelve (12) month period immediately preceding December 31, 2023;

(iii) any Contract relating to any acquisition or divestiture of any material assets, operating business or the capital stock (whether by merger, stock sale, sale of assets or otherwise) of any other Person (A) during the past two (2) years for consideration in excess of \$750,000 or (B) where the Company has remaining liability with respect to any “earn-out,” contingent purchase price, deferred purchase price or similar deferred payment obligation;

(iv) any material partnership, collaboration agreement or joint venture Contract;

(v) any Contract under which the Company or any of its Subsidiaries has any outstanding indebtedness for borrowed money or obligations evidenced by notes, bonds, debentures or other similar instruments;

(vi) any Contract pursuant to which a license is granted by or to the Company or any of its Subsidiaries with respect to any material Intellectual Property, excluding (A) Contracts concerning generally commercially available software, hardware or other technology, (B) non-exclusive licenses entered into in the ordinary course of business and (C) any other Contracts in which grants of rights to use Intellectual Property are incidental to and not material to performance under such Contract;

(vii) any Contract which (A) places any material limitation on the Company or any of its Subsidiaries from freely engaging or competing in business or selling products or services anywhere in the world or in any business, or (B) grants to any Person a right of first refusal, a right of first offer or an option to purchase, acquire, sell or dispose of any material assets of the Company or any of its Subsidiaries (other than inventory in the ordinary course of business);

(viii) any Contract or commitment for capital expenditures or to make any loan to, or invest in, any Person, in excess of \$750,000 individually or \$2,250,000 in the aggregate; and

(ix) any agreement providing that the Company or any of its Subsidiaries indemnify any Person, except (A) in the ordinary course of business, (B) for agreements for which the Company's or any of its Subsidiaries' liability for indemnification has expired or is limited to \$750,000 or less, or (C) as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(b) As of the date of this Agreement, (i) each of the Material Contracts is in full force and effect, (ii) there exists no default under any such Material Contracts by the Company or any of its Subsidiaries or, to the Company's knowledge, any other party to such Material Contracts or any event that will create a default thereunder by the Company or any of its Subsidiaries, and (iii) there exists no actual or, to the Company's knowledge, threatened termination or cancellation of any Material Contract. The Company has made available to such Purchaser an accurate and complete copy of each Material Contract (including all modifications, amendments, and supplements thereto and waivers thereunder).

#### Section 2.16 Environmental Matters.

(a) There are no, and since the Reference Date, there have not been any, Proceedings pending or threatened in writing against the Company or any of its Subsidiaries that remain unresolved alleging or regarding any violation of, or Liability under, any Environmental

Law or any Permits required under any applicable Environmental Law except as would not reasonably be expected to result in, individually or in the aggregate, a material liability.

(b) The Company is and, since the Reference Date, has been in compliance with all Environmental Laws and Permits and all past non-compliance has been resolved without ongoing obligations or costs.

(c) There has been no Release by the Company or any of its Subsidiaries, and to the Company's knowledge, by any other Person, of Hazardous Materials with respect to the Company's currently or formerly owned, leased or operated property. The Company has provided copies of all environmental assessments, environmental sampling and monitoring data, and health and safety audits concerning the business of the Company and its Subsidiaries.

Section 2.17 Related Party Transactions. Except as set forth on Schedule 2.17, as of the date of this Agreement, no member, manager, officer, director, or employee of the Company or any of its Subsidiaries, or any entity in which any of such Persons owns any controlling interest, is a party to any Contract or other arrangement, or has a financial interest in, or otherwise owns or leases any material asset, property or right which is used by the Company or any of its Subsidiaries (other than employment and equity arrangements entered into in the ordinary course of business, consistent with past practice on a form of agreement in substantially the same form as the Company's standard forms of agreement previously made available to such Purchaser).

Section 2.18 Insurance. Schedule 2.18 lists all of the insurance policies maintained by or covering exclusively the Company and its Subsidiaries that are material to the business of the Company and its Subsidiaries, taken as a whole, and those insurance policies are in full force and effect as of the date of this Agreement. All premiums payable to date have been paid in respect of such insurance policies, and none of the Company or its Subsidiaries has received written notice that it is in material default with respect to its obligations under any of such insurance policies.

Section 2.19 Food Safety Matters.

(a) To the Company's knowledge, since the Reference Date, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all products manufactured, marketed, sold or distributed by or on behalf of the Company or its Subsidiaries ("Company Products") have complied and are in compliance in all material respects with all applicable Food Laws.

(b) All Company Products manufactured or processed by or for the Company or any of its Subsidiaries for introduction into United States commerce consist only of FDA-approved food and color additives, prior sanctioned substances and "generally recognized as safe" ingredients.

(c) Neither the Company, any Subsidiary nor any Company Product has been the subject of any adverse notification from any Governmental Authority (including any inspection reports on Form 483, FDA Notice of Intended Enforcement, Notice of Suspension by the USDA or enforcement action, warning letter, untitled letter, seizure, injunction, fine or sanction, civil or criminal action issued, initiated, or threatened in writing by the FDA, USDA, FTC, any comparable

state Governmental Authority, or a private person or entity, brought in the public interest, or other compliance or enforcement action) since the Reference Date.

(d) Since the Reference Date, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all material registrations, reports, documents, Permits or notices required to be filed, maintained or furnished to any Governmental Authority (collectively, “Food Regulatory Filings”) have been so filed, maintained or furnished in a timely manner, and all such Food Regulatory Filings were complete and accurate in all material respects on the date filed (or were corrected in, or supplemented by, a subsequent filing).

(e) Neither the Company nor any of its Subsidiaries or, to the Company’s knowledge, any officer, employee, agent or distributor has made an untrue statement of a material fact or a fraudulent statement to the FDA or any other Governmental Authority or failed to disclose a material fact required to be disclosed to the FDA or any other Governmental Authority on behalf of the Company or any of its Subsidiaries.

(f) Since the Reference Date, (i) no Company Product has been the subject of any voluntary withdrawal or any mandatory or voluntary recall, market withdrawal, public notification, or notification to any Governmental Authority, or any similar action; and (ii) to the Company’s knowledge, there is no reason to believe that a basis for a recall or withdrawal of any of such Company Products exists under applicable Laws, Food Laws or any policy applicable to the Company, or that a recall of any of such Company Products has been threatened by any Governmental Authority or is being considered by the Company.

(g) Since the Reference Date, no customer or subsequent purchaser of any Company Product has asserted a claim with respect to Company’s facilities, operations, or any nonconformity of any Company Product with applicable specifications, warranties or regulatory requirements.

(h) All promotional and advertising materials used or produced by the Company, as well as all marketing activities, currently and since the Reference Date comply in all material respects with all applicable Laws (including applicable Food Laws).

(i) The representations and warranties set forth in this Section 2.19 are the sole and exclusive representations and warranties of the Company and its Subsidiaries with respect to food safety matters.

#### Section 2.20 Compliance Matters.

(a) Since the Reference Date, neither the Company, any of its Subsidiaries or, to the Company’s knowledge, any of its or their respective directors, officers, employees, representatives or authorized agents, has, (A) used any funds for unlawful contributions, gifts, entertainment or expenses, (B) made, authorized, solicited or received any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, or unlawful kickback, (C) established or maintained, or is maintaining, any unlawful fund of corporate monies or other properties, (D) violated or is violating in any material respect the United States Foreign Corrupt Practices Act, the UK Bribery Act 2010, or any other anti-corruption or anti-bribery Law or (E) directly or indirectly, made, offered, authorized, facilitated, or promised any illegal payment,

contribution, gift, entertainment, bribe, rebate, kickback, financial or other advantage, or anything else of value for the purpose of securing an improper advantage.

(b) All Permits required for the Company and its Subsidiaries to conduct their respective businesses have been obtained by it and are valid, in full force and effect and current. No suspension or cancellation of any such Permit has been threatened in writing, except as would not reasonably be expected to have a material impact on the Company and its Subsidiaries (taken as a whole). The Company and its Subsidiaries, as applicable, are complying with the terms required by all such Permits, except as would not reasonably be expected to have a material impact on the Company and its Subsidiaries (taken as a whole).

Section 2.21 Title to Properties.

(a) Schedule 2.21(a) sets forth the addresses of all real property owned by the Company or any of its Subsidiaries (the "Owned Real Property"), as of the date of this Agreement. With respect to each such parcel of Owned Real Property (a "Parcel") listed on Schedule 2.21(a), the Company or the Subsidiary owning such Parcel has marketable and valid title to such Parcel, free and clear of all Liens other than Permitted Liens, except to the extent the failure to have such marketable and valid title to such Parcel is not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Schedule 2.21(b) sets forth all real property occupied by the Company or any of its Subsidiaries pursuant to leases, subleases, licenses and any other types of occupancy agreements, including all such amendments and modifications thereto (any such lease, sublease, license or other occupancy agreement, individually, a "Real Property Lease" and collectively, the "Real Property Leases"). True, correct and complete copies of the Real Property Leases as of the date hereof have been made available to such Purchaser. The Company or a Subsidiary has a valid and enforceable leasehold interest under each of the Real Property Leases to which it is a party, free and clear of all Liens, other than Permitted Liens. To the Company's knowledge, neither the Company nor any of its Subsidiaries has received any written notice of any default or event, which, with notice or lapse of time, or both, would constitute a default under any of the Real Property Leases.

(c) Schedule 2.21(c) sets forth all security deposits or letters of credit issued or deposited in connection with the Real Property Leases. To the Company's knowledge, there are no circumstances that would prevent the Company from recovering the full amount of the security deposits delivered under the Real Property Leases. True, correct and complete copies of the letters of credit have been made available to such Purchaser.

(d) Schedule 2.21(d) sets forth all guaranties issued by the Company or any of its Subsidiaries in connection with the Real Property Leases (the "Lease Guaranties"). The Company represents and warrants that true, correct, and complete copies of the Lease Guaranties as of the date hereof have been made available to such Purchaser.

(e) The Company is not in material default under any of the Real Property Leases, and no lessor under such leases is currently entitled to terminate any such Real Property Lease before the expiration thereof. The current use and occupation by the Company or any of its

Subsidiaries of any of the Owned Real Property or under the Real Property Leases comprises all of the real property and interests in real property used in, or held for, use in the Company's and its Subsidiaries' business.

(f) There is no pending, or to the Company's knowledge, threatened, modification or cancellation of any of the ownership or leasehold title, easements, rights of way, licenses and use agreements, and there are no gaps, defects, or deficiencies in the ownership or leasehold title, easements, rights of way, licenses and use agreements, used in the business of the Company, in each case, that would, individually or in the aggregate, have a Material Adverse Effect.

(g) The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by the Company or its Subsidiaries, together with all other properties and assets of the Company and its Subsidiaries, are sufficient for the continued conduct of the Company's and each of its Subsidiaries' respective businesses after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the business of the Company and its Subsidiaries as currently conducted.

Section 2.22 Brokers. The Company and each of its Subsidiaries is not, and at the Closing will not be, committed to any liability for any brokers' or finders' fees or any similar fees in connection with the Transactions.

Section 2.23 No Other Representations and Warranties. Notwithstanding anything herein to the contrary, it is the explicit intent of the parties that none of the Company, any of its Affiliates or any of their respective Representatives is making any representation or warranty whatsoever, express or implied, beyond those expressly given in Article II of this Agreement. It is understood that any estimates, forecasts, projections or other predictions and any other information or materials that have been or shall hereafter be provided or made available to any Purchaser, any of its Affiliates or its or their respective Representatives are not, and shall not be deemed to be, representations and warranties of the Company or any of its Affiliates or any of their respective Representatives and shall not be deemed to be relied upon by such Purchaser in executing, delivering and performing this Agreement.

### **ARTICLE III**

#### **REPRESENTATIONS AND WARRANTIES OF PURCHASERS**

Each Purchaser severally (and not jointly) represents and warrants to the Company that:

Section 3.1 Organization, Good Standing, Corporate Power and Qualifications. Such Purchaser is an entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation. Such Purchaser has all requisite corporate power and authority to execute and deliver each Transaction Document to which it will be a party, and to perform its obligations thereunder, and to consummate the Transactions.

Section 3.2 Authorization. All corporate action required to be taken by such Purchaser and its board of directors (or equivalent governing body) to enter into the Transaction Documents

to which such Purchaser is a Party and to purchase the Units at the Closing has been taken. All action on the part of the officers of such Purchaser necessary for the execution and delivery of the Transaction Documents to which it is a party, the performance of all obligations of such Purchaser under the Transaction Documents to be performed as of the Closing, and the purchase of the Units has been taken. The Transaction Documents to which such Purchaser is a party, when executed and delivered by such Purchaser, will constitute valid and legally binding obligations of such Purchaser, enforceable against such Purchaser in accordance with their terms, except as limited by the Enforceability Exceptions.

Section 3.3 Governmental Consents and Filings. Assuming the accuracy of the representations made by the Company in Article II of this Agreement, no consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of such Purchaser in connection with the consummation of the Transactions, other than such filings and registrations as are required to be made under applicable federal and state securities Laws.

Section 3.4 No Conflicts. The execution and delivery of each Transaction Document intended to be executed by such Purchaser, and the performance of its obligations thereunder and the consummation of the Transactions will not (i) conflict with or result in a breach of any provision of the Organizational Documents of such Purchaser, (ii) require the consent of, notice to, or other action by any Person under any Contract to which such Purchaser is a party, or (iii) violate or conflict with any Law applicable to such Purchaser, except, in the cases of clauses (ii) and (iii) above, as would not reasonably be expected, individually or in the aggregate, to have a material adverse effect on such Purchaser's ability to consummate the Transactions.

Section 3.5 Funding. Such Purchaser has, as of the date of this Agreement, and at the Closing shall have, sufficient funds to enable such Purchaser to consummate the Transactions and to satisfy its obligations hereunder and thereunder, including payment of such Purchaser's Purchase Price.

Section 3.6 Investment Intention. Such Purchaser is an "accredited investor" (as that term is defined in Rule 501(a) under the Securities Act) and is acquiring the Units solely for the purpose of investment and not with a view to, or for sale in connection with, any distribution thereof in violation of the Securities Act, or any applicable foreign securities Laws. Such Purchaser acknowledges that the Units are not registered under the Securities Act, any applicable state securities Law or any applicable foreign securities Law, and that such Units may not be transferred or sold except pursuant to the registration provisions of the Securities Act or applicable foreign securities Laws or pursuant to an applicable exemption therefrom and pursuant to state securities Laws, as applicable.

Section 3.7 No Public Market. Such Purchaser understands that no public market now exists for the Units, and that the Company has made no assurances that a public market will ever exist for the Units.

Section 3.8 Brokers. Such Purchaser is not, and such Purchaser will not be, committed to any liability for any brokers' or finders' fees or any similar fees in connection with the Transactions.



Section 3.9 No Other Representations and Warranties. Notwithstanding anything herein to the contrary, it is the explicit intent of the parties that none of such Purchaser, any of its Affiliates or any of their respective Representatives is making any representation or warranty whatsoever, express or implied, beyond those expressly given in Article III of this Agreement. It is understood that any estimates, forecasts, projections or other predictions and any other information or materials that have been or shall hereafter be provided or made available to the Company, any of its Affiliates or its or their respective Representatives are not, and shall not be deemed to be, representations and warranties of such Purchaser or any of its Affiliates or any of their respective Representatives and shall not be deemed to be relied upon by the Company in executing, delivering and performing this Agreement.

## ARTICLE IV

### TAX MATTERS

Section 4.1 Preparation of Tax Returns. The Company shall timely prepare and file, or shall cause to be timely prepared and filed, all Tax Returns (including any partnership return and applicable Schedule K-1s) of the Company and its Subsidiaries consistent with and subject to the applicable provisions of the Existing Operating Agreement and the Second A&R Operating Agreement, whichever is applicable, addressing the preparation and filing of such Tax Returns.

Section 4.2 Intended Tax Treatment. The Parties acknowledge and agree that each Redemption, taken together with the purchase of the Units by each Purchaser pursuant to Section 1.1, shall be treated for U.S. federal and applicable state and local income Tax purposes as a taxable sale of a portion of each Redeemed Member's Common Units in the Company to such Purchaser (such Common Units, in the aggregate, the "Disguised Sale Units") in exchange for the portion of the Transaction Proceeds received by the Redeemed Member in the Redemption, plus the amount of any relief of such Redeemed Member's share of the Company's liabilities as a result of the Redemption pursuant to Section 707(a)(2)(B) of the Code (the "Intended Tax Treatment"). For all federal, and applicable state and local, income Tax purposes, the Parties agree to prepare and file all Tax Returns in a manner consistent with the Intended Tax Treatment and not to take any conflicting position or report any Redemption as a distribution subject to Section 731 of the Code for such income Tax purposes, except as otherwise required by a final determination within the meaning of Section 1313(a) of the Code (or any corresponding or similar provision of non-U.S., state or local law).

Section 4.3 Purchase Price Allocation. Within sixty (60) days following the Closing, the Company shall provide each Purchaser with an allocation of the portion of the Transaction Proceeds treated as consideration for the Disguised Sale Units (together with all other items treated as consideration for applicable Tax purposes) among the assets of the Company for Tax purposes (the "Purchase Price Allocation"), which shall be prepared in accordance with the Code (including Sections 734, 743, 751, 754, 755 and 1060 of the Code, as applicable) and the Treasury Regulations promulgated thereunder and in a manner consistent with the purchase price allocation methodology set forth in Exhibit D attached hereto. Each Purchaser shall have thirty (30) days from the receipt of the Purchase Price Allocation to review and comment, and the Company shall consider any such comments in good faith. The Parties agree to (and agree to cause their respective Affiliates to) prepare and file all Tax Returns consistently with the Purchase Price Allocation as

finally determined pursuant to this Section 4.3, and the Parties and their respective Affiliates shall not take any position in any forum that is inconsistent therewith, except to the extent required pursuant to a “determination” within the meaning of Section 1313(a) of the Code (or any corresponding or similar provision of non-U.S., state or local law).

Section 4.4 Section 754 Election. The Company shall use reasonable best efforts to ensure that it has a valid Section 754 election in effect for the taxable year within which the Closing takes place and that such election is not revoked for that taxable year.

Section 4.5 Pushout Election. For any taxable year beginning prior to the Closing Date, the Company shall, with respect to any “final partnership adjustment” (as such term is defined for purposes of Section 6226(a) of the Code or any successor provision), use its reasonable best efforts to make the election provided for in Section 6226(a) of the Code or any successor provision.

Section 4.6 Tax Indemnification. Following the Closing, the Company shall indemnify, defend and hold each Purchaser harmless from any Indemnified Tax Amount with respect to such Purchaser; provided that the Company shall satisfy such indemnity obligation by making a cash payment to such Purchaser. Notwithstanding anything to the contrary herein, as a reasonable means to adjust the economic effect of this Section 4.6 to avoid either Purchaser indirectly bearing the cost of a payment intended to make the Purchasers whole, a payment of an Indemnified Tax Amount pursuant to this Section 4.6 from the Company to a Purchaser shall be increased to an amount equal to the product of (a) the Indemnity Grossed-Up Amount and (b) such Purchaser’s Indemnity Share. The Company shall use reasonable best efforts to reduce or otherwise mitigate any Indemnified Tax Amount and shall not take any action that could reasonably be expected to increase the Indemnified Tax Amount. Except as otherwise required by a “determination” within the meaning of Section 1313(a) of the Code (or any corresponding or similar provision of non-U.S., state or local law), any indemnity payment pursuant to this Section 4.6 shall be treated, for all income Tax purposes, as (1) a distribution by the Company to the Redeemed Members, followed by (2) a payment by the Redeemed Members to the Purchasers, which payment shall be treated as an adjustment to the Purchase Price paid by the Purchasers to the Redeemed Members for the Disguised Sale Units.

## ARTICLE V

### SURVIVAL OF REPRESENTATIONS AND WARRANTIES

#### Section 5.1 Survival of Representations and Warranties.

(a) The parties hereto, intending to modify any applicable statute of limitations, agree that: (i) (x) the representations and warranties set forth in Section 2.1, Section 2.2, Section 2.3, Section 2.4(a), Section 2.4(c), Section 2.9, Section 2.22, Section 3.1, Section 3.2, Section 3.4(i), Section 3.4(ii), and Section 3.8 (collectively, the “Fundamental Representations”) shall survive the Closing until the date that is thirty-six (36) months following the Closing Date; and (y) all other representations and warranties contained in this Agreement shall survive the Closing until the date that is eighteen (18) months following the Closing Date; and (ii) the covenants and agreements contained in this Agreement and to be performed at or prior to the Closing shall not survive the Closing, and no party shall have any liability with respect to any

covenant or agreement described in this clause (ii) from and after the Closing. The covenants and agreements contained herein to be performed or complied with after the Closing shall survive the Closing in accordance with their respective terms. Nothing in this Section 5.1 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 6.8 or to pursue a claim of Fraud against such Person committing Fraud. For avoidance of doubt, except as provided in Section 4.6, (i) a Party making a claim against another Party hereunder for breach of any representation, warranty, covenant or agreement herein shall only be able to recover damages actually suffered by such Party, (ii) in no event shall any Party be able to recover any incidental, indirect, consequential, special or punitive damages (unless, in each case, such damages are actually paid out as damages in a third party claim) or any damages based on lost opportunity, (iii) except in the case of breaches of Fundamental Representations, no Party shall be entitled to recover damages until the total amount of damages suffered (or reasonably expected to be suffered) by such Party exceeds an amount equal to one percent (1%) of the Mistral Purchase Price (in the case of claims by or against the Mistral Purchaser) or one percent (1%) of the Verlinvest Purchase Price (in the case of claims by or against the Verlinvest Purchaser) (such one percent (1%) amount, in either case, the "Deductible"), and then any recovery by such Party shall only be the amount in excess of such Deductible, (iv) the aggregate amount of damages that such Party may claim in connection with a breach of any representation or warranty contained herein (other than Fundamental Representations) shall be an amount equal to twenty percent (20%) of the Mistral Purchase Price (in the case of claims by or against the Mistral Purchaser) or twenty percent (20%) of the Verlinvest Purchase Price (in the case of claims by or against the Verlinvest Purchaser), and (v) the aggregate amount of damages that such Party may claim in connection with a breach of any representation or warranty contained herein (including in respect of any breach of Fundamental Representations) shall be an amount equal to one hundred percent (100%) of the Mistral Purchase Price (in the case of claims by or against the Mistral Purchaser) or one hundred percent (100%) of the Verlinvest Purchase Price (in the case of claims by or against the Verlinvest Purchaser); provided, that none of the foregoing limitations shall apply in the case of Fraud.

(b) Each Party unconditionally and irrevocably acknowledges and agrees that (i) the agreements contained in this Article V are an integral part of this Agreement and the Transactions and (ii) without the agreements set forth in this Article V, each other Party would not enter into this Agreement or otherwise agree to consummate the Transactions.

## ARTICLE VI

### MISCELLANEOUS

Section 6.1 Expenses. Except as expressly provided for herein, each of the Parties shall pay the fees and expenses of its respective counsel, accountants and other experts and advisors, and shall pay all other fees and expenses incurred by it in connection with the negotiation, preparation and execution of the Transaction Documents and the consummation of the Transactions (collectively, with respect to each Party, the "Transaction Fees and Expenses").

Section 6.2 Publicity. No press release or other public disclosure with respect to this Agreement or the Transactions may be issued by any Party or its Affiliates without the other Party's consent, which consent shall not be unreasonably withheld, conditioned or delayed by such other Party, except to the extent such press release or other public disclosure contains information

that is consistent with a press release or other public disclosure previously issued or made in accordance with this Section 6.2; *provided, however*, that if any Party is required by Law, including the rules of any stock exchange on which such Party's securities are listed, to issue a press release or other public disclosure with respect to this Agreement or the Transactions, such Party shall consult with, and consider in good faith any reasonable comments of, the other Party as to the content of such press release or other public disclosure with reasonable notice before it is issued.

Section 6.3 Amendment or Modification. This Agreement may not be amended or modified by the Parties, except by an instrument in writing signed by each of the Company, Mistral Purchaser and Verlinvest Purchaser.

Section 6.4 Waiver. Except as otherwise specifically provided herein, any provision of this Agreement may only be waived at any time by an instrument signed in writing by the Party entitled to the benefit thereof. Except as specifically provided herein, the failure or delay of any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of such Party thereafter to enforce each and every such provision. No waiver of any breach of, or non-compliance with, this Agreement shall be held to be a waiver of any other subsequent breach or non-compliance. Except as specifically provided herein, all remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

Section 6.5 Entire Agreement. This Agreement, the Non-Disclosure Agreement, dated as of April 25, 2024, by and between Mistral Capital Management, LLC and Krispy Kreme, Inc., the Company Disclosure Schedules and Exhibits attached hereto and the other documents and agreements contemplated hereby (including the other Transaction Documents and any documents and agreements contemplated thereby) contain the entire agreement between the Parties with respect to the subject matter hereof and supersede and cancel all prior agreements, understandings, representations and warranties, both oral and written, between the Parties with respect thereto. There are no agreements, undertakings, representations or warranties of any of the Parties with respect to the transactions contemplated hereby and thereby other than those set forth herein or therein or made or to be made hereunder or thereunder.

Section 6.6 Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer, nor shall anything herein confer, on any Person other than the Parties and their respective successors or permitted assigns, any rights, remedies, obligations or liabilities.

Section 6.7 Non-Assignability; Binding Effect. This Agreement shall not be assignable, in part or in whole, by any Party without the prior written consent of the other Parties except that each Purchaser may assign any of its rights or obligations under this Agreement to any of its Affiliates, without the prior written consent of any other Party. A purported assignment of this Agreement or any of the rights, Units or obligations hereunder not in compliance with the provisions of the Agreement shall be null and void ab initio. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 6.8 Injunctive Relief. The Parties acknowledge and agree that a violation of any of the terms of this Agreement will cause the other Party irreparable injury for which an adequate remedy at law is not available, and if any Party institutes any action or proceeding to enforce such provisions, any Party against whom such action or proceeding is brought hereby waives the claim or defense therein that an adequate remedy at law exists. Accordingly, it is agreed that each of the Parties will be entitled to an injunction, restraining order or other equitable relief to prevent breaches of this Agreement and to enforce specifically such provisions hereof in any court of competent jurisdiction (including, for the avoidance of doubt, any action to cause a Party to consummate the Transactions), in addition to any other remedy to which they may be entitled at law or equity, except as otherwise specifically provided in this Agreement. Each Party hereby waives any requirement of any posting of bond.

Section 6.9 Notices. All communications hereunder shall be in writing and shall be deemed to have been duly given if signed by the respective Persons giving them (and in the case of any legal entity, the signature shall be by an appropriate officer thereof) and (i) delivered by hand, (ii) sent by registered mail, return receipt requested, (iii) sent by nationally recognized courier, or (iv) sent by email, subject to the recipient's telephonic or email confirmation of receipt of such email, to the following addresses:

If to Mistral Purchaser:

c/o Mistral Capital Management, LLC  
501 Madison Avenue, 5<sup>th</sup> Floor  
New York, NY 10022  
Attention: Christopher Bradley  
Email: cbradley@mistralequity.com

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)  
1251 Avenue of the Americas, 27<sup>th</sup> Floor  
New York, NY 10020  
Attention: Sidney Burke  
Email: sidney.burke@us.dlapiper.com

If to Verlinvest Purchaser:

Verlinvest Cookies Holdings, Inc.  
c/o Verlinvest SA  
Place Flagey 18  
1050 Brussels  
Belgium  
Europe  
Attention: Rafaël Hulpiau; Anne-Sophie De Clercq  
Email: rhulpiau@verlinvest.com; asdeclercq@verlinvest.com

with a copy (which shall not constitute notice) to:

Alexander Rosenthal and Clément Pointillart  
Email: ar@verlinvest.com; cpointillart@verlinvest.com

with a copy (which will not constitute notice) to:

Kramer Levin Naftalis & Frankel LLP  
1177 Avenue of the Americas  
New York, NY 10036  
Attention: Adi Herman  
Email: AHerman@KRAMERLEVIN.com

If to the Company:

Insomnia Cookies Holdings, LLC  
c/o Insomnia Cookies  
345 Seventh Avenue, Suite 1202  
New York, New York 10001  
Attention: Louis Smookler  
Email: lsmookler@insomniacookies.com

with a copy (which will not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP  
One Manhattan West  
New York, NY 10001  
Attention: Sean C. Doyle  
Maxim O. Mayer-Cesiano  
Daniel L. Luks  
Email: sean.doyle@skadden.com  
maxim.mayercesiano@skadden.com  
daniel.luks@skadden.com

By written notice to the other Party, any Party may change the address to which notices shall be directed.

Section 6.10 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement and all claims or causes of action (whether in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to Contracts made and performed in such State without giving regard to any conflict of laws provisions that would require or permit the application of the laws of any other jurisdiction.

(b) The Parties hereby irrevocably submit to the exclusive jurisdiction of any federal or state court located within the State of Delaware over any dispute arising out of or relating to this Agreement or any of the Transactions and each Party hereby irrevocably agrees that all claims in respect of such dispute or any Proceeding related thereto may be heard and determined

in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(c) Each of the Parties hereby irrevocably and unconditionally consents to service of process in the manner provided for notices in Section 6.9. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by Law.

(d) EACH PARTY HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY DISPUTE DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF A DISPUTE, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION AGREEMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6.10.

Section 6.11 Counterparts. This Agreement may be executed in any number of counterparts, and delivered by facsimile or otherwise, each of which shall be deemed an original of this Agreement and all of which together shall constitute one and the same instrument.

Section 6.12 Headings; Interpretation. Captions, headings and titles contained in this Agreement, Exhibits and the Company Disclosure Schedules are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, Exhibits or the Company Disclosure Schedules. The phrases “made available to,” “provided to,” “furnished to,” by the Company, and phrases of similar import when used in this Agreement mean that a copy of the information or material referred to (i) has been provided by the Company to Purchasers by means of being provided for review in the “Star 2024” electronic data room hosted by Datasite at least one (1) Business Day prior to the date of this Agreement.

Section 6.13 Several Liability of Purchasers. Each Party acknowledges and agrees that (a) this Agreement is not intended to, and does not, create any agency, partnership, fiduciary or joint venture relationship between or among any of the Parties and neither this Agreement nor any other document or agreement entered into by any Party relating to the subject matter hereof shall be construed to suggest otherwise and (b) the obligations of each Purchaser under this Agreement are solely contractual in nature. Notwithstanding anything to the contrary contained in this Agreement, the obligations and liabilities (if any) of Purchasers hereunder shall be several, not joint and several, and no Purchaser shall be liable for any obligation or liability (if any) owed hereunder by any other Purchaser.

Section 6.14 Defined Terms Used in this Agreement.

In addition to the terms defined above, the following terms used in this Agreement shall be construed to have the meanings set forth or referenced below.

“Affiliate” means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any venture capital fund or registered investment company now or hereafter existing that is controlled by one (1) or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person.

“Aggregate Indemnified Tax Amount” means the sum of each Purchaser’s Indemnified Tax Amount.

“Aggregate Percentage Interest” means the sum of each Purchaser’s Percentage Interest (as defined in the Second A&R Operating Agreement).

“Business Day” means any day, other than a Saturday, Sunday, or any other date on which banking and savings and loan institutions are authorized or required to be closed in New York, New York or Brussels, Belgium.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collective Bargaining Agreement” means any written or oral agreement, memorandum of understanding or other contractual obligation between the Company or any of its Subsidiaries and any labor organization or other authorized employee representative representing Service Providers.

“Common Units” has the meaning set forth in the Second A&R Operating Agreement.

“Contagion Event” means the outbreak and ongoing effects of a contagious disease, epidemic or pandemic (including COVID-19).

“Contracts” means all contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

“COVID-19” means SARS-CoV-2 or COVID-19, and any future resurgence, variants, evolutions or mutations thereof.

“COVID-19 Measures” means any commercially reasonable actions that the Company reasonably determines are necessary or prudent for the Company or any of its Subsidiaries to take in connection with (a) events surrounding any pandemic or public health emergency caused by COVID-19, (b) mitigating the adverse effects of such events, pandemic or public health emergency on the business of the Company and its Subsidiaries, including in response to third-party supply or service disruptions caused by the COVID-19 pandemic and (c) protecting the health and safety of customers, employees and other business relationships to ensure compliance with any Law,



guidelines, recommendations or restrictions imposed by the Centers for Disease Control and Prevention, any other Governmental Authorities or quasi-governmental authorities, or any applicable industry group in each case, in respect of COVID-19.

“Employee Plan” means any (i) “employee benefit plan” as defined in Section 3(3) of ERISA (whether or not subject to ERISA), (ii) compensation, employment, consulting, severance, termination protection, change in control, transaction bonus, retention or similar plan, agreement, arrangement, program or policy or (iii) other plan, agreement, arrangement, program or policy providing for compensation, bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangement), medical, dental, vision, prescription or fringe benefits, life insurance, relocation or expatriate benefits, perquisites, disability or sick leave benefits, employee assistance program, workers’ compensation, supplemental unemployment benefits or post-employment or retirement benefits (including compensation, pension, health, medical or insurance benefits), in each case whether or not written and (x) that is sponsored, maintained, administered, contributed to or entered into by the Company or any of its Affiliates for the current or future benefit of any current or former Service Provider or (y) for which the Company or any of its Subsidiaries has any direct or indirect liability. For the avoidance of doubt, a Collective Bargaining Agreement shall constitute an Employee Plan.

“Environmental Law” means any Law relating to pollution or protection of human health or safety (but only as it relates to exposure to hazardous materials) or the environment (including the air, surface water, ground water, wetlands, land surface or subsurface strata), including Laws relating to air and water emissions or discharges, releases or threatened releases of hazardous materials, or otherwise relating to the treatment, storage, disposal, transport, recycling, reporting or handling of hazardous materials.

“Environmental Permits” means all Permits issued under or required by Environmental Laws.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means, with respect to an entity (1) a member of any “controlled group” (as defined in section 414(b) of the Code) of which that entity is also a member, (2) a trade or business, whether or not incorporated, under common control (within the meaning of section 414(c) of the Code) with that entity, or (3) a member of any affiliated service group (within the meaning of section 414(m) of the Code) of which that entity is also a member.

“Event” has the meaning ascribed thereto in the definition of Material Adverse Effect.

“Existing Intercompany Debt” means the Intercompany Loan Agreement, dated as of September 17, 2018, by and between Insomnia Cookies, LLC, as borrower, and KKDC, as lender, as amended by that certain First Amendment to Intercompany Loan Agreement dated as of September 25, 2018, Amendment No. 1 dated as of April 19, 2021, and Amendment No. 2, dated as of October 31, 2023.

“Existing Operating Agreement” means the Amended and Restated Operating Agreement of Insomnia Cookies Holdings, LLC, dated September 17, 2018.

“FDA” means the United States Food and Drug Administration.

“FDCA” means the Federal Food, Drug, and Cosmetic Act of 1938, as amended, including the rules and regulations promulgated thereunder.

“Food Laws” means all laws, and the rules and regulations promulgated there under, governing the formulation, safety, sanitation, testing, packaging, labeling, manufacturing, packing, holding, warehousing, distributing, sale, exporting, importing, shelf life, record keeping, registration, monitoring, marketing or advertising of the Products, including ingredients, additives, or components thereof. These include, but are not limited to, U.S. Federal Food, Drug, and Cosmetic Act, as amended, and, the Food Allergen Labeling and Consumer Protection Act of 2004, the Organic Foods Production Act, Egg Products Inspection Act, Egg Safety Rule, the Food Safety Modernization Act, the Fair Packaging and Labeling Act, the Sanitary Food Transportation Act, the Agricultural Marketing Act, and California’s Safe Drinking Water and Toxic Enforcement Act of 1986 (Health & Safety Code Sections 25249.5 et seq., and regulations thereunder at CCR Title 27, Div. 4, Ch. 1, Sections 25102 et seq.) (“Proposition 65”), and all comparable federal, state, local, and international regulatory authorities, as well as all comparable international, supranational, state, and local Laws and each of their applicable implementing regulations enforced by regulatory authorities in the jurisdictions where the Company Products are sold and distributed.

“Fraud” means an actual and intentional misrepresentation by a party of a representation or warranty expressly stated in Article II or Article III of this Agreement; which satisfies each of the following conditions: (a) such representation or warranty was materially false or materially inaccurate at the time such representation or warranty was made; (b) the party making such representation or warranty had actual knowledge (and not imputed or constructive knowledge), without any duty of inquiry or investigation, that such representation or warranty was materially false or materially inaccurate when made; (c) such party had the specific intent to deceive another party and induce such other party to enter into this Agreement; and (d) such other party reasonably relied on such false or inaccurate representation or warranty in entering into this Agreement. “Fraud” shall not include any cause of action under law or equity, including for fraud, based on constructive or imputed knowledge, negligence or recklessness and only the Persons who committed Fraud shall be responsible for such Fraud and only to the party established to have suffered from such Fraud.

“FTC” means the United States Federal Trade Commission.

“GAAP” means generally accepted accounting principles in the U.S., as in effect as of any date of determination.

“Governmental Authority” means any federal, state, local, municipal or foreign government, regulatory, self-regulatory, legislative or administrative body, or any agency, bureau, board, commission, court, department, tribunal or instrumentality thereof.

“Hazardous Material” means any substance, pollutant, contaminant, material and waste that is regulated by any Law or Order or is classified in any Environmental Law as “hazardous,” “toxic,” “dangerous,” a “pollutant,” a “contaminant” or words of similar meaning, including

asbestos, asbestos-containing materials, polychlorinated biphenyls, gasoline, diesel fuel, petroleum, petroleum by-products or petroleum products, radioactive materials and radon gas, per- and polyfluoroalkyl substances, and any other chemicals, materials, substances or wastes in any amount or concentration which are regulated under or for which liability may be imposed under any Environmental Law.

“Indemnified Tax Amount” means, with respect to either Purchaser, as applicable, an amount equal to the product of (i) such Purchaser’s Percentage Interest (as defined in the Second A&R Operating Agreement) and (ii) the sum of, without duplication, (A) all Taxes (or the non-payment thereof) of the Company or any of its Subsidiaries for any tax period (or portion thereof) ending on or before the Closing Date, (B) any and all Taxes of any Person (other than the Company or its Subsidiaries) imposed on the Company or its Subsidiaries as a transferee or successor, by contract (other than pursuant to customary provisions included in Contracts entered into in the ordinary course of business the primary purpose of which are not related to Taxes) which Taxes relate to an event or transaction occurring before the Closing Date, and (C) any payment obligation of the Company or any of its Subsidiaries pursuant to a Tax allocation, Tax sharing, Tax indemnity or other similar agreement (other than the Second A&R Operating Agreement or any Contracts entered into in the ordinary course of business the primary purpose of which are not related to Taxes) which obligation relates to an event or transaction occurring before the Closing Date, in each case of clauses (A)-(B), net of any Tax benefits actually realized by the Company or any of its Subsidiaries, *provided* that the Indemnified Tax Amount shall not include any amount of Taxes resulting from such Purchaser’s breach of any Transaction Documents.

“Indemnity Grossed-Up Amount” means the Aggregate Indemnified Tax Amount multiplied by the Purchasers’ Ownership Adjustment Ratio.

“Indemnity Share” means, with respect to each Purchaser, the quotient of such Purchaser’s Percentage Interest (as defined in the Second A&R Operating Agreement) divided by the Aggregate Percentage Interest.

“Intellectual Property” means all intellectual property rights of every kind and description throughout the world, including all (i) patents, patent applications, utility models and invention disclosures and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof, (ii) Trademarks, (iii) copyrights and copyrightable subject matter, (iv) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing, (v) trade secrets and all other confidential or proprietary information, ideas, know-how, inventions, processes, formulae, recipes, ingredient lists, blends, mixing instructions, manufacturing specifications, models and methodologies, (vi) rights of publicity, privacy and rights to personal information, (vii) moral rights and rights of attribution and integrity, and (viii) all applications and registrations, and any renewals, extensions and reversions, for the foregoing.

“IRS” means the U.S. Internal Revenue Service.

“KKDC” means Krispy Kreme Doughnut Corporation, a North Carolina corporation.

“Knowledge” including the phrase “to the Company’s knowledge” means the actual knowledge of the following individuals, after reasonable inquiry of each individual’s direct reports: Seth Berkowitz and Lou Smookler.

“Law” means any law (including common law), constitution, treaty, statute, code, rule, regulation or ordinance of a Governmental Authority having a similar effect, and any Order. All references to a Law shall be deemed to include any amendments thereto, and any successor Law, unless the context otherwise requires.

“Liabilities” means any and all debts, liabilities, obligations, or commitments of any nature whatsoever, whether accrued or unaccrued, fixed or variable, absolute or contingent, matured or unmatured, determined or determinable, or otherwise.

“Lien” means, with respect to any property or asset, any mortgage, deed of trust, pledge, hypothecation, security, interest, encumbrance, interference, option, right of first refusal, preemptive right, community property interest, claim, lien or restriction of any kind (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset).

“Material Adverse Effect” means any event, change, occurrence, development, circumstance, or effect (each, an “Event”) that has a material adverse effect on (a) the business, financial condition or results of operations of the Company and its Subsidiaries, taken as a whole; or (b) the ability of the Company and its Subsidiaries, taken as a whole, to consummate the Transactions on a timely basis; *provided* that no Event resulting or arising from or in connection with any of the following matters shall be deemed, either alone or in combination, to constitute a “Material Adverse Effect”: (i) any changes affecting the national, regional, or world economy or financial, debt, credit, capital or banking markets or conditions in which the Company or any of its Subsidiaries conduct business, including any increase in operating costs or capital expenses (including any disruption thereof), (ii) changes in interest, currency or exchange rates or tariffs or any trade wars, (iii) any national or international political conditions in or affecting any jurisdiction in which the Company or any of its Subsidiaries conduct business, including the engagement by the United States in hostilities, acts of war (including the current war between the Russian Federation and Ukraine and the current war between Israel and Hamas and, in each case, any escalations or new participants therein), or the occurrence or the escalation of any military or terrorist attack upon the United States or any escalation or worsening of any of the same, (iv) any act of God, hurricane, flood, tornado, wild fire, earthquake, landslide, other natural disaster, and any Contagion Event, (v) changes in applicable Law (or interpretations thereof), whether or not related to a Contagion Event (including any COVID-19 Measures) or other public health emergency, (vi) changes in GAAP or other accounting requirements or standards or the interpretation thereof, (vii) changes in the fast casual food service industry in which the Company and its Subsidiaries operate, (viii) the failure of the Company and its Subsidiaries to meet any internal or published projections, estimates or forecasts of revenues, goals, earnings or other measures of financial or operating performance for any period (it being understood that the underlying Events giving rise to such failure that are not otherwise excluded from the definition of Material Adverse Effect may be taken into account in determining whether a Material Adverse Effect has occurred), (ix) any effect resulting from the pendency, public announcement or

consummation of the Transactions, including the identity of either Purchaser, as applicable, or its Affiliates (it being understood and agreed that this clause (x) shall not apply with respect to any representation or warranty that is intended to address the consequences of the execution, delivery, or performance of this Agreement), (xi) the effect of any event or action taken or omission to act by the Company or its Subsidiaries after the date of this Agreement at the written request of such Purchaser, or (xii) the initiation of a Proceeding by any Person with respect to this Agreement or any of the Transactions; *provided* that to the extent that any Event resulting from a matter set forth in the foregoing clauses (i) – (vii) has a material and disproportionate impact on the Company and its Subsidiaries, taken as a whole, as compared to the impact such Event has on other Persons operating in the same fast casual food service industry or market as the Company and its Subsidiaries, then the incremental effect (and only the incremental effect) of such Event shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur.

“Mistral Incentive Units” has the meaning set forth in the Second A&R Operating Agreement.

“Mistral Purchaser Transaction Fees and Expenses” means Transaction Fees and Expenses of Mistral Purchaser.

“Order” means any order, writ, judgment, stipulation, decree, injunction, award or decision of, or consent agreement or similar arrangement with, any Governmental Authority.

“Organizational Documents” means any memorandum and articles of association or incorporation, bylaws, operating agreement, partnership agreement or other equivalent constitutional documents, including, with respect to the Company, the Existing Operating Agreement.

“Parties” means Mistral Purchaser, Verlinvest Purchaser, and the Company (each, a “Party”).

“Permit” means any approvals, authorizations, consents, licenses, franchises, permits, registrations, certificates or other similar rights obtained, or required to be obtained, from Governmental Authorities.

“Permitted Liens” means, collectively, (a) mechanics’, carriers’, workmen’s, repairmen’s, materialmen’s, warehousemen’s, and other similar Liens arising or incurred in the ordinary course of business securing obligations that are not due and payable or which are being contested in good faith by appropriate proceedings and for which adequate accruals or reserves have been established in accordance with GAAP, (b) Liens for Taxes, utilities and other governmental charges or levies that are not due and payable or which are being contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP on the books and records of the Company and its Subsidiaries, (c) requirements and restrictions of zoning, building and other applicable Laws and municipal bylaws, and development, site plan, or subdivision agreements, in each case, promulgated by a Governmental Authority, and which do not restrict or are not violated by the Company or any of its Subsidiaries’ use of its real property as currently conducted, (d) non-exclusive licenses of rights in Intellectual Property made to

customers in the ordinary course of business, consistent with past practice and not in connection with debt for borrowed money, (e) in the case of leased real property, any Liens to which the underlying fee interest in the leased premises (or the land on which or the building in which the leased premises may be located) is subject in each case, that do not or would not, individually or in the aggregate, materially interfere with the Company or any of its Subsidiaries' occupancy or use of such leased real property for purposes for which it is currently used in connection the conduct of the Company or any of its Subsidiaries' business, or (f) Liens resulting from securities Laws.

“Person” means an individual, sole proprietorship, corporation, partnership, limited liability company, trust, joint venture, association, unincorporated organization or other entity or a Governmental Authority.

“Personal Information” means all data and information defined as “personal information,” “personal data”, “personally identifiable information,” or any equivalent term, under any Laws, including privacy and/or data security Laws, applicable to the Company or any of its Subsidiaries.

“Proceeding” means any action, claim, suit, litigation, arbitration, proceeding (whether civil or criminal) by or before any Governmental Authority.

“Proceeds Allocation Schedule” means the schedule set forth on Annex A attached hereto.

“Purchase Price” means (a) the Mistral Purchase Price or (b) the Verlinvest Purchase Price, as the context may require.

“Purchaser Transaction Fees and Expenses” means (a) the Mistral Purchaser Transaction Fees and Expenses or (b) the Verlinvest Purchaser Transaction Fees and Expenses, as the context may require.

“Purchasers' Ownership Adjustment Ratio” means the quotient of (i) one (1) divided by (ii) the difference between (A) one (1) minus (B) the Aggregate Percentage Interest (expressed as a decimal).

“Redeemed Member” means any member of the Company whose interest in the Company is, or will be, partially redeemed in connection with the Sale pursuant to Section 1.1.

“Redemption” means any redemption of Units in the Company in connection with the Sale pursuant to Section 1.1.

“Redemption Agreements” means the KKDC Redemption Agreement and Management Redemption Agreements.

“Reference Date” means, as of July 17, 2021.

“Release” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including, without limitation,

ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“Representatives” means, with respect to any Person, such Person’s directors, officers, managers, partners, employees, attorneys, accountants, financial advisors and other representatives and agents.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Series A Preferred Units” has the meaning set forth in the Second A&R Operating Agreement.

“Service Provider” means, as of any relevant time, any employee, director, officer or individual independent contractor of the Company or any of its Subsidiaries.

“Subsidiary” means, with respect to any Person, any corporation fifty percent (50%) or more of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation is at the time owned by such Person, directly or indirectly through one or more Subsidiaries, and any other Person, including a joint venture, a general or limited partnership or a limited liability company, in which such Person, directly or indirectly through one or more Subsidiaries, at the time owns at least fifty percent (50%) or more of the ownership Units entitled to vote in the election of managing partners, managers or trustees thereof (or other Persons performing such functions) or acts as the general partner, managing member, trustee (or Persons performing similar functions) of such other Person.

“Tax” means (a) any taxes on gross or net income or profits and gains imposed by any Tax Authority, and (b) all other direct and indirect taxes, levies, duties (including import and export duties), imposts, charges and withholdings in the nature of a tax imposed by any Tax Authority, including any excise, property, real property, capital, value added, sales, use, occupation, transfer, stamp, franchise and payroll taxes, and any and all liability for the payment of any such amounts as a result of any successor or transferee liability, together with all penalties, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them.

“Tax Authority” means any Governmental Authority competent to impose any Tax or assess or collect any Tax.

“Tax Return” means any return (including any informational return), report, statement, schedule, notice, form, or other document required to be filed with or submitted to any Governmental Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of compliance with any Law relating to any Tax.

“Third Party” means any Person other than (i) a Party, (ii) the Company, or (iii) any Affiliate of any of the foregoing.

“Trademarks” means trademarks, service marks, names, corporate names, trade names, domain names, logos, social media addresses and accounts, slogans, trade dress, design rights and

other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing.

“Transaction Documents” means this Agreement, the Second A&R Operating Agreement, the Redemption Agreements and each other agreement, document, instrument and certificate contemplated hereby or to be executed by a party hereto or thereto in connection with the execution of the foregoing or the consummation of the Transactions, and to be delivered at or in connection with the Closing.

“Transactions” means the transactions contemplated by this Agreement and the Transaction Documents.

“Treasury Regulations” means the regulations, including proposed and temporary regulations, promulgated under the Code as such regulations may be amended from time to time.

“U.S.” means the United States of America, including its territories and possessions.

“USDA” means the U.S. Department of Agriculture.

“Verlinvest Purchaser Transaction Fees and Expenses” means Transaction Fees and Expenses of Verlinvest Purchaser.

#### Additional Terms List

<u>Term</u>	<u>Section</u>
Affiliate .....	6.14
Aggregate Indemnified Tax Amount .....	6.14
Agreement .....	Preamble
Amended and Restated Intercompany Debt .....	Recitals
Balance Sheet Date .....	2.10(a)
Board .....	Recitals
Business Day .....	6.14
Closing .....	1.2
Closing Date .....	1.2
Code .....	6.14
Collective Bargaining Agreement .....	6.14
Common Units .....	6.14
Company .....	Preamble
Company Disclosure Schedules .....	Article II
Company Products .....	2.19(a)
Confidential Information Agreement .....	2.8(e)
Contagion Event .....	6.14
COVID-19 .....	6.14
COVID-19 Measures .....	6.14
Discrimination Complaints .....	2.12(h)
Disguised Sale Units .....	4.2
Employee Plan .....	6.14



Enforceability Exceptions .....	2.3
Environmental Law.....	6.14
Environmental Permits.....	6.14
ERISA .....	6.14
ERISA Affiliate .....	6.14
Event .....	6.14
Existing Intercompany Debt .....	6.14
Existing Operating Agreement .....	6.14
FDA.....	6.14
FDCA.....	6.14
Financial Statements .....	2.10(a)
FLSA.....	2.12(b)
Food Laws.....	6.14
Food Regulatory Filings .....	2.19(c)
Fraud .....	6.14
FTC .....	6.14
GAAP.....	6.14
Governmental Authority .....	6.14
Hazardous Material.....	6.14
Indemnity Grossed-Up Amount.....	6.14
Indemnity Share .....	6.14
Intellectual Property.....	6.14
Intended Tax Treatment.....	4.2
IRS .....	6.14
KKDC .....	Preamble
KKDC Redemption Agreement.....	Recitals
Knowledge .....	6.14
Law .....	6.14
Lease Guaranties.....	2.21(d)
Liabilities .....	6.14
Lien .....	6.14
Management Member .....	1.3(a)(ii)
Management Members.....	1.3(a)(ii)
Management Redemption Agreement .....	Recitals
Material Adverse Effect.....	6.14
Material Contracts.....	2.15(a)
Mistral Purchase Price .....	1.1(b)
Mistral Purchaser .....	Preamble
Mistral Purchaser Transaction Fees and Expenses .....	6.14
Most Recent Financial Statements.....	2.10(a)
Order .....	6.14
Organizational Documents.....	6.14
Owned Real Property.....	2.21(a)
Parcel.....	2.21(a)
Parties.....	6.14
Party .....	6.14

Permit.....	6.14
Permitted Liens .....	6.14
Person.....	6.14
Personal Information.....	6.14
Preferred Units .....	1.1(a)
Privacy Requirements .....	2.8(h)
Proceeding.....	6.14
Proceeds Allocation Schedule.....	6.14
Purchase Price.....	6.14
Purchase Price Allocation .....	4.3
Purchaser.....	Preamble
Purchaser Transaction Fees and Expenses.....	6.14
Purchasers' Ownership Adjustment Ratio.....	6.14
Real Property Lease .....	2.21(b)
Real Property Leases.....	2.21(b)
Redeemed Member .....	6.14
Redemption.....	6.14
Redemption Agreements.....	6.14
Reference Date.....	6.14
Release .....	6.14
Representatives .....	6.14
Sale.....	Recitals
Second A&R Operating Agreement .....	Recitals
Securities Act.....	6.14
Series A Preferred Units .....	6.14
Service Provider.....	6.14
Subsidiary .....	6.14
Tax .....	6.14
Tax Authority.....	6.14
Tax Return .....	6.14
Third Party .....	6.14
to the Company's knowledge .....	6.14
Trademarks .....	6.14
Transaction Documents .....	6.14
Transaction Fees and Expenses .....	6.1
Transaction Proceeds .....	1.3(a)
Transactions .....	6.14
Treasury Regulations .....	6.14
U.S. ....	6.14
Units.....	1.1(a)
USDA.....	6.14
Verlinvest Purchase Price .....	1.1(b)
Verlinvest Purchaser .....	Preamble
Verlinvest Purchaser Transaction Fees and Expenses.....	6.14
WARN Act.....	2.12(b)

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Unit Purchase Agreement as of the date first written above.

MISTRAL SLEEPLESS HOLDINGS, LLC

By: /s/ Christopher Bradley  
Name: Christopher Bradley  
Title: Vice President and Treasurer

*[Signature Page to Unit Purchase Agreement]*

---

IN WITNESS WHEREOF, the Parties have executed this Unit Purchase Agreement as of the date first written above.

VERLINVEST COOKIES HOLDINGS,  
INC.

By: /s/ Alexander Rosenthal  
Name: Alexander Rosenthal  
Title: Secretary

By: /s/ Axelle Henry  
Name: Axelle Henry  
Title: Treasurer

*[Signature Page to Unit Purchase Agreement]*

---

IN WITNESS WHEREOF, the Parties have executed this Unit Purchase Agreement as of the date first written above.

INSOMNIA COOKIES HOLDINGS, LLC

By: /s/ Seth Berkowitz  
Name: Seth Berkowitz  
Title: President and Chief Executive  
Officer

*[Signature Page to Unit Purchase Agreement]*

---

**Annex A**

PROCEEDS ALLOCATION SCHEDULE

	<u>Redemption Units</u>	<u>Aggregate Redemption Price</u>	<u>Redemption Price per Unit</u>
Krispy Kreme	1,010,027.27	\$127,350,000.00	\$126.0857
Seth Berkowitz	73,759.35	\$9,300,000.00	\$126.0857
Louis Smookler	5,551.78	\$700,000.00	\$126.0857
Tom Carusona	793.11	\$100,000.00	\$126.0857
David Salama	793.11	\$100,000.00	\$126.0857
Dallas Warble	793.11	\$100,000.00	\$126.0857
<b>Total</b>	<b>1,091,717.73</b>	<b>\$137,650,000.00</b>	<b>---</b>





**INSOMNIA COOKIES HOLDINGS, LLC**

345 Seventh Avenue, Suite 1202  
New York, New York 10001

July 17, 2024

Josh Charlesworth  
c/o Krispy Kreme, Inc.  
2116 Hawkins Street, Suite 101  
Charlotte, NC 28203

Re: REU Cancellation and Cash-Out; Common Unit Buyout

Dear Josh:

As you are aware, Insomnia Cookies Holdings, LLC, a Delaware limited liability company ("*Insomnia*"), is in the process of entering into a Unit Purchase Agreement with purchasers Mistral Sleepless Holdings, LLC and Verinvest Cookies Holdings, Inc., pursuant to which Insomnia will issue and sell certain preferred units of Insomnia to such purchasers (the "*Sale*").

In connection with the Sale, the Board of Directors of Krispy Kreme Doughnut Corporation, a North Carolina corporation ("*KKDC*"), in its capacity as administrator of the Insomnia Cookies Holdings, LLC Executive Ownership Plan (the "*Plan*"), has decided to cancel and convert, effective as of immediately prior to the closing of the Sale (the "*Closing*"), all of the restricted equity units under the Plan awarded to you by Insomnia pursuant to the Matching Award Agreement dated December 11, 2023 (the "*Insomnia REUs*," and such award agreement, the "*Award Agreement*"), whether vested or unvested, into the right to receive a cash payment in an amount equal to \$494,886.39 (the "*Cash-Out Payment*"). The Cash-Out Payment is based on the Fair Market Value (as defined in the Plan) of the Insomnia REUs as of the Closing. In order to receive the Cash-Out Payment, you must continue to provide services to Insomnia or one of its affiliates through the Closing. The Cash-Out Payment, less any required withholding taxes, will be paid to you on Insomnia's behalf by KKDC (or one of its affiliates) as soon as practicable following the Closing (but in any event no later than five (5) business days following the Closing).

Further, in connection with the Sale, you agree to sell, transfer, assign and convey, and KKDC agrees to acquire from you, all right, title and interest in and to all of your Common Units of Insomnia (including, in each case, solely to the extent relating to your Common Units, (a) your capital account in Insomnia, (b) your right to share in the profits and losses of Insomnia, (c) your right to receive distributions from Insomnia, and (d) any and all voting and information rights attributable to your Common Units) for an aggregate cash payment in an amount equal to \$1,001,330.15. The effect of the foregoing sale and redemption on your capital account with respect to your Common Units shall be reflected and further evidenced by the Member Schedule attached as Exhibit A to the Second A&R Operating Agreement of Insomnia (the "*Operating Agreement*").

---

By signing this letter agreement (this “*Agreement*”), you acknowledge and agree as follows:

1. You consent to the treatment of the Insomnia REUs outlined in this Agreement, notwithstanding anything to the contrary contained in the Award Agreement or the Plan or any other document. Further, you accept the terms set forth herein with respect to the Insomnia REUs and the Cash-Out Payment.
2. Upon your receipt of the Cash-Out Payment described above, no further payment from KKDC, Insomnia, or any of their respective affiliates will be due to you on account of any of the Insomnia REUs, and all of your rights in respect of the Insomnia REUs will be terminated.
3. You are the sole record title and beneficial owner of each of the Common Units and will be the sole record title and beneficial owner of such Common Units as of the Closing, free and clear from all liens, security interests and encumbrances of any nature whatsoever, other than as set forth in the Operating Agreement.
4. There is no claim, action, suit, proceeding or governmental investigation of any nature pending or, to your knowledge, threatened against or by you (a) relating to or affecting the Common Units; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist that may give rise to, or serve as a basis for, any such claim, action, suit, proceeding or governmental investigation.

If you accept the terms and conditions of this Agreement, please sign below (electronic signature will be accepted) and return it to the undersigned on or before July 17, 2024.

The treatment of the Insomnia REUs and the Common Units of Insomnia set forth in this Agreement is contingent on the consummation of the Sale. If the Sale is not consummated, this Agreement shall be deemed null and void.

Any term hereof may be amended and the observance of any term hereof may be waived only with the written consent of each party hereto, which consent explicitly references this Agreement and the desired amendment or waiver. Any amendment or waiver so effected shall be binding upon KKDC, Insomnia, you, and any assignee or transferee thereof. Except as modified by this Agreement, the Award Agreement remains unchanged and in full force and effect.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. This Agreement contains the entire understanding of the parties and there are not further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof except as expressly referred to herein. The terms and conditions of this

July 17, 2024  
Page 3

Agreement shall inure to the benefit of and be binding upon the respective successor and assigns of the parties.

*[Signature Page Follows]*

July 17, 2024  
Page 4

Very truly yours,

INSOMNIA COOKIES HOLDINGS, LLC

By: /s/ Seth Berkowitz  
Name: Seth Berkowitz  
Its: President and Chief Executive Officer

Agreed to and accepted:

KRISPY KREME DOUGHNUT CORPORATION

By: /s/ Josh Charlesworth  
Name: Josh Charlesworth  
Its: President and Chief Executive Officer

PARTICIPANT

/s/ Josh Charlesworth  
Josh Charlesworth



**INSOMNIA COOKIES HOLDINGS, LLC**  
345 Seventh Avenue, Suite 1202  
New York, New York 10001

Exhibit 10.3

July 17, 2024

Michael Tattersfield

Re: REU Cancellation and Cash-Out; Common Unit Buyout

Dear Michael:

As you are aware, Insomnia Cookies Holdings, LLC, a Delaware limited liability company ("*Insomnia*"), is in the process of entering into a Unit Purchase Agreement with purchasers Mistral Sleepless Holdings, LLC and Verlinvest Cookies Holdings, Inc., pursuant to which Insomnia will issue and sell certain preferred units of Insomnia to such purchasers (the "*Sale*").

In connection with the Sale, the Board of Directors of Krispy Kreme Doughnut Corporation, a North Carolina corporation ("*KKDC*"), in its capacity as administrator of the Insomnia Cookies Holdings, LLC Executive Ownership Plan (the "*Plan*"), has decided to cancel and convert, effective as of immediately prior to the closing of the Sale (the "*Closing*"), all of the restricted equity units under the Plan awarded to you by Insomnia pursuant to the Matching Award Agreement dated December 11, 2023 (the "*Insomnia REUs*," and such award agreement, the "*Award Agreement*"), whether vested or unvested, into the right to receive a cash payment in an amount equal to \$1,979,419.48 (the "*Cash-Out Payment*"). The Cash-Out Payment is based on the Fair Market Value (as defined in the Plan) of the Insomnia REUs as of the Closing. In order to receive the Cash-Out Payment, you must continue to provide services to Insomnia or one of its affiliates through the Closing. The Cash-Out Payment, less any required withholding taxes, will be paid to you on Insomnia's behalf by KKDC (or one of its affiliates) as soon as practicable following the Closing (but in any event no later than five (5) business days following the Closing).

Further, in connection with the Sale, you agree to sell, transfer, assign and convey, and KKDC agrees to acquire from you, all right, title and interest in and to all of your Common Units of Insomnia (including, in each case, solely to the extent relating to your Common Units, (a) your capital account in Insomnia, (b) your right to share in the profits and losses of Insomnia, (c) your right to receive distributions from Insomnia, and (d) any and all voting and information rights attributable to your Common Units) for an aggregate cash payment in an amount equal to \$2,002,787.87. The effect of the foregoing sale and redemption on your capital account with respect to your Common Units shall be reflected and further evidenced by the Member Schedule attached as Exhibit A to the Second A&R Operating Agreement of Insomnia (the "*Operating Agreement*").

By signing this letter agreement (this "*Agreement*"), you acknowledge and agree as follows:

---

1. You consent to the treatment of the Insomnia REUs outlined in this Agreement, notwithstanding anything to the contrary contained in the Award Agreement or the Plan or any other document. Further, you accept the terms set forth herein with respect to the Insomnia REUs and the Cash-Out Payment.
2. Upon your receipt of the Cash-Out Payment described above, no further payment from KKDC, Insomnia, or any of their respective affiliates will be due to you on account of any of the Insomnia REUs, and all of your rights in respect of the Insomnia REUs will be terminated.
3. You are the sole record title and beneficial owner of each of the Common Units and will be the sole record title and beneficial owner of such Common Units as of the Closing, free and clear from all liens, security interests and encumbrances of any nature whatsoever, other than as set forth in the Operating Agreement.
4. There is no claim, action, suit, proceeding or governmental investigation of any nature pending or, to your knowledge, threatened against or by you (a) relating to or affecting the Common Units; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist that may give rise to, or serve as a basis for, any such claim, action, suit, proceeding or governmental investigation.

If you accept the terms and conditions of this Agreement, please sign below (electronic signature will be accepted) and return it to the undersigned on or before July 17, 2024.

The treatment of the Insomnia REUs and the Common Units of Insomnia set forth in this Agreement is contingent on the consummation of the Sale. If the Sale is not consummated, this Agreement shall be deemed null and void.

Any term hereof may be amended and the observance of any term hereof may be waived only with the written consent of each party hereto, which consent explicitly references this Agreement and the desired amendment or waiver. Any amendment or waiver so effected shall be binding upon KKDC, Insomnia, you, and any assignee or transferee thereof. Except as modified by this Agreement, the Award Agreement remains unchanged and in full force and effect.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. This Agreement contains the entire understanding of the parties and there are not further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof except as expressly referred to herein. The terms and conditions of this

July 17, 2024  
Page 3

Agreement shall inure to the benefit of and be binding upon the respective successor and assigns of the parties.

*[Signature Page Follows]*



July 17, 2024  
Page 4

Very truly yours,

INSOMNIA COOKIES HOLDINGS, LLC

By: /s/ Seth Berkowitz  
Name: Seth Berkowitz  
Its: President and Chief Executive Officer

Agreed to and accepted:

KRISPY KREME DOUGHNUT CORPORATION

By: /s/ Josh Charlesworth  
Name: Josh Charlesworth  
Its: President and Chief Executive Officer

PARTICIPANT

/s/ Michael Tattersfield  
Michael Tattersfield



**KRISPY KREME DOUGHNUT CORPORATION**

2116 Hawkins Street, Suite 101  
Charlotte, NC 28203

July 17, 2024

Matthew Spanjers  
c/o Krispy Kreme, Inc.  
2116 Hawkins Street, Suite 101  
Charlotte, NC 28203

Re: Repurchase of Common Units

Dear Matthew:

As you are aware, Insomnia Cookies Holdings, LLC, a Delaware limited liability company ("*Insomnia*"), is in the process of entering into a Unit Purchase Agreement with purchasers Mistral Sleepless Holdings, LLC and Verlinvest Cookies Holdings, Inc., pursuant to which Insomnia will issue and sell certain preferred units of Insomnia to such purchasers (the "*Sale*").

In connection with the Sale, you agree to sell, transfer, assign and convey, and Krispy Kreme Doughnut Corporation, a North Carolina corporation ("*KKDC*"), agrees to acquire from you, all right, title and interest in and to all of your Common Units of Insomnia (including, in each case, solely to the extent relating to your Common Units, (a) your capital account in Insomnia, (b) your right to share in the profits and losses of Insomnia, (c) your right to receive distributions from Insomnia, and (d) any and all voting and information rights attributable to your Common Units) for an aggregate cash payment in an amount equal to \$1,001,330.15. The effect of the foregoing sale and redemption on your capital account with respect to your Common Units shall be reflected and further evidenced by the Member Schedule attached as Exhibit A to the Second Amended and Restated Operating Agreement of Insomnia (the "*Operating Agreement*").

You are the sole record title and beneficial owner of each of the Common Units, and will be the sole record title and beneficial owner of such Common Units as of the closing of the Sale, free and clear from all liens, security interests and encumbrances of any nature whatsoever, other than as set forth in the Operating Agreement.

There is no claim, action, suit, proceeding or governmental investigation of any nature pending or, to your knowledge, threatened against or by you (a) relating to or affecting the Common Units; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this letter agreement (this "*Agreement*"). No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such claim, action, suit, proceeding or governmental investigation.

---

July 17, 2024

Page 2

If you accept the terms and conditions of this Agreement, please sign below (electronic signature will be accepted) and return it to the undersigned on or before July 17, 2024.

The repurchase by KKDC of the Common Units contemplated by this Agreement is contingent on the consummation of the Sale. If the Sale is not consummated, this Agreement shall be deemed null and void.

Any term hereof may be amended and the observance of any term hereof may be waived only with the written consent of each party hereto, which consent explicitly references this Agreement and the desired amendment or waiver. Any amendment or waiver so effected shall be binding upon KKDC, you, and any assignee or transferee thereof.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. This Agreement contains the entire understanding of the parties and there are not further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof except as expressly referred to herein. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successor and assigns of the parties.

*[Signature Page Follows]*

July 17, 2024  
Page 3

Very truly yours,

KRISPY KREME DOUGHNUT CORPORATION

By: /s/ Josh Charlesworth  
Name: Josh Charlesworth  
Its: President and Chief Executive Officer

Agreed to and accepted:

PARTICIPANT

/s/ Matthew Spanjers  
Matthew Spanjers



## Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Josh Charlesworth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, of Krispy Kreme, 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 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

/s/ Josh Charlesworth  
Josh Charlesworth  
Chief Executive Officer

## Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeremiah Ashukian, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, of Krispy Kreme, 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 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

/s/ Jeremiah Ashukian  
Jeremiah Ashukian  
Chief Financial Officer



**CERTIFICATION 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 Krispy Kreme, Inc. (the "Company"), for the quarterly period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

/s/ Josh Charlesworth  
Josh Charlesworth  
Chief Executive Officer

Date: August 8, 2024

/s/ Jeremiah Ashukian  
Jeremiah Ashukian  
Chief Financial Officer