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

# FORM 10-Q

**(Mark One)**

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **June 29, 2025**

☐ 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** | **37-1701311** |
|---|---|
| (State or other jurisdiction of incorporation) | (IRS Employer Identification No.) |

**2116 Hawkins Street, Suite 101, 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 | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

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

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

The registrant had outstanding 171.2 million shares of common stock as of August 1, 2025.

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# 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 29, 2025 (13 weeks) | June 30, 2024 (13 weeks) | June 29, 2025 (26 weeks) | June 30, 2024 (26 weeks) |
| **Net revenues** | | | | |
| Product sales | $ 371,377 | $ 429,411 | $ 737,856 | $ 862,923 |
| Royalties and other revenues | 8,390 | 9,398 | 17,095 | 18,584 |
| **Total net revenues** | **379,767** | **438,809** | **754,951** | **881,507** |
| Product and distribution costs | 92,627 | 107,846 | 183,363 | 214,861 |
| Operating expenses | 210,712 | 212,504 | 409,555 | 417,699 |
| Selling, general and administrative expense | 62,920 | 64,466 | 122,325 | 136,040 |
| Marketing expenses | 12,185 | 12,416 | 22,424 | 24,531 |
| Pre-opening costs | 1,471 | 967 | 2,400 | 2,072 |
| Goodwill and other asset impairments | 406,932 | 201 | 407,094 | 448 |
| Other income, net | (8,311) | (1,050) | (7,073) | (1,097) |
| Depreciation and amortization expense | 35,782 | 34,600 | 69,683 | 68,186 |
| **Operating (loss)/income** | **(434,551)** | **6,859** | **(454,820)** | **18,767** |
| Interest expense, net | 16,696 | 14,452 | 32,892 | 28,188 |
| Loss on divestiture of Insomnia Cookies | 11,501 | — | 11,501 | — |
| Other non-operating (income)/expense, net | (1,177) | 949 | (1,570) | 1,522 |
| **Loss before income taxes** | **(461,571)** | **(8,542)** | **(497,643)** | **(10,943)** |
| Income tax (benefit)/expense | (20,453) | (3,611) | (23,120) | 651 |
| **Net loss** | **(441,118)** | **(4,931)** | **(474,523)** | **(11,594)** |
| Net (loss)/income attributable to noncontrolling interest | (5,858) | 560 | (5,979) | 2,431 |
| **Net loss attributable to Krispy Kreme, Inc.** | **$ (435,260)** | **$ (5,491)** | **$ (468,544)** | **$ (14,025)** |
| Net loss per share: | | | | |
| Common stock — Basic | $ (2.55) | $ (0.03) | $ (2.75) | $ (0.08) |
| Common stock — Diluted | $ (2.55) | $ (0.03) | $ (2.75) | $ (0.08) |
| **Weighted average shares outstanding:** | | | | |
| Basic | 170,802 | 169,095 | 170,546 | 168,890 |
| Diluted | 170,802 | 169,095 | 170,546 | 168,890 |

*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 29, 2025 (13 weeks) | June 30, 2024 (13 weeks) | June 29, 2025 (26 weeks) | June 30, 2024 (26 weeks) |
| **Net loss** | **$ (441,118)** | **$ (4,931)** | **$ (474,523)** | **$ (11,594)** |
| Other comprehensive income/(loss), net of income taxes: | | | | |
| Foreign currency translation adjustment | 25,797 | (7,944) | 34,283 | (14,013) |
| Unrealized loss on cash flow hedges, net of income taxes [1] | (1,862) | (3,504) | (6,429) | (6,188) |
| **Total other comprehensive income/(loss)** | **23,935** | **(11,448)** | **27,854** | **(20,201)** |
| **Comprehensive loss** | **(417,183)** | **(16,379)** | **(446,669)** | **(31,795)** |
| Net (loss)/income attributable to noncontrolling interest | (5,858) | 560 | (5,979) | 2,431 |
| Foreign currency translation adjustment attributable to noncontrolling interest | 668 | (62) | 741 | (361) |
| **Total comprehensive (loss)/income attributable to noncontrolling interest** | **(5,190)** | **498** | **(5,238)** | **2,070** |
| **Comprehensive loss attributable to Krispy Kreme, Inc.** | **$ (411,993)** | **$ (16,877)** | **$ (441,431)** | **$ (33,865)** |

[1] Net of income tax benefit of $0.6 million and $2.1 million for the quarter and two quarters ended June 29, 2025, respectively, and $1.2 million and $2.1 million for the quarter and two quarters ended June 30, 2024, 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 29, 2025 | December 29, 2024 |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 21,264 | $ 28,962 |
| Restricted cash | 559 | 353 |
| Accounts receivable, net | 57,252 | 67,722 |
| Inventories | 33,697 | 28,133 |
| Taxes receivable | 18,012 | 16,155 |
| Prepaid expense and other current assets | 23,774 | 31,615 |
| **Total current assets** | **154,558** | **172,940** |
| Property and equipment, net | 509,387 | 511,139 |
| Goodwill, net | 711,780 | 1,047,581 |
| Other intangible assets, net | 812,344 | 819,934 |
| Operating lease right of use asset, net | 418,602 | 409,869 |
| Investments in unconsolidated entities | 6,077 | 91,070 |
| Other assets | 17,726 | 19,497 |
| **Total assets** | **$ 2,630,474** | **$ 3,072,030** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Current portion of long-term debt | $ 67,603 | $ 56,356 |
| Current operating lease liabilities | 46,979 | 46,620 |
| Accounts payable | 97,442 | 123,316 |
| Accrued liabilities | 110,866 | 124,212 |
| Structured payables | 134,721 | 135,668 |
| **Total current liabilities** | **457,611** | **486,172** |
| Long-term debt, less current portion | 889,442 | 844,547 |
| Noncurrent operating lease liabilities | 419,388 | 405,366 |
| Deferred income taxes, net | 99,774 | 130,745 |
| Other long-term obligations and deferred credits | 46,070 | 40,768 |
| **Total liabilities** | **1,912,285** | **1,907,598** |
| Commitments and contingencies | | |
| **Shareholders' equity:** | | |
| Common stock, $0.01 par value; 300,000 shares authorized as of both June 29, 2025 and December 29, 2024; 170,964 and 170,060 shares issued and outstanding as of June 29, 2025 and December 29, 2024, respectively | 1,710 | 1,701 |
| Additional paid-in capital | 1,472,845 | 1,466,508 |
| Shareholder note receivable | (1,785) | (1,906) |
| Accumulated other comprehensive loss, net of income tax | (5,015) | (32,128) |
| Retained deficit | (774,164) | (299,638) |
| **Total shareholders' equity attributable to Krispy Kreme, Inc.** | **693,591** | **1,134,537** |
| Noncontrolling interest | 24,598 | 29,895 |
| **Total shareholders' equity** | **718,189** | **1,164,432** |
| **Total liabilities and shareholders' equity** | **$ 2,630,474** | **$ 3,072,030** |

*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 | Noncontrolling Interest | Total |
| **Balance at December 29, 2024** | **170,060** | **$ 1,701** | **$1,466,508** | **$ (1,906)** | **$ (32,065)** | **$ 270** | **$ (333)** | **$(299,638)** | **$ 29,895** | **$1,164,432** |
| Net loss for the quarter ended March 30, 2025 | — | — | — | — | — | — | — | (33,284) | (121) | (33,405) |
| Other comprehensive income/(loss) for the quarter ended March 30, 2025 before reclassifications | — | — | — | — | 8,413 | (4,280) | — | — | 73 | 4,206 |
| Reclassification from AOCI | — | — | — | — | — | (287) | — | — | — | (287) |
| Share-based compensation | — | — | 2,603 | — | — | — | — | — | — | 2,603 |
| Dividends declared on common stock and equivalents ($0.035 per share) | — | — | — | — | — | — | — | (5,969) | — | (5,969) |
| Distribution to noncontrolling interest | — | — | (103) | 127 | — | — | — | — | (60) | (36) |
| Issuance of common stock upon settlement of RSUs, net of shares withheld | 240 | 2 | (125) | — | — | — | — | — | — | (123) |
| Other | — | — | — | (3) | — | — | — | — | (1) | (4) |
| **Balance at March 30, 2025** | **170,300** | **$ 1,703** | **$1,468,883** | **$ (1,782)** | **$ (23,652)** | **$ (4,297)** | **$ (333)** | **$(338,891)** | **$ 29,786** | **$1,131,417** |
| Net loss for the quarter ended June 29, 2025 | — | — | — | — | — | — | — | (435,260) | (5,858) | (441,118) |
| Other comprehensive income/(loss) for the quarter ended June 29, 2025 before reclassifications | — | — | — | — | 25,129 | (1,526) | — | — | 668 | 24,271 |
| Reclassification from AOCI | — | — | — | — | — | (336) | — | — | — | (336) |
| Share-based compensation | — | — | 4,634 | — | — | — | — | — | — | 4,634 |
| Dividends declared on common stock and equivalents ($0.035 per share) | — | — | — | — | — | — | — | (13) | — | (13) |
| Issuance of common stock upon settlement of RSUs, net of shares withheld | 664 | 7 | (671) | — | — | — | — | — | — | (664) |
| Other | — | — | (1) | (3) | — | — | — | — | 2 | (2) |
| **Balance at June 29, 2025** | **170,964** | **$ 1,710** | **$1,472,845** | **$ (1,785)** | **$ 1,477** | **$ (6,159)** | **$ (333)** | **$(774,164)** | **$ 24,598** | **$ 718,189** |

*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 | Noncontrolling Interest | Total |
| **Balance at December 31, 2023** | **168,628** | **$ 1,686** | **$1,443,591** | **$ (3,850)** | **$ 1,985** | **$ 5,629** | **$ (368)** | **$(278,990)** | **$ 94,100** | **$1,263,783** |
| 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 ($0.035 per share) | — | — | — | — | — | — | — | (5,905) | — | (5,905) |
| Distribution to noncontrolling interest | — | — | — | — | — | — | — | — | (977) | (977) |
| Issuance of common stock upon settlement of RSUs, net of shares withheld | 103 | 1 | (805) | — | — | — | — | — | — | (804) |
| Other | — | — | 1 | (11) | — | — | — | (1) | (1) | (12) |
| **Balance at March 31, 2024** | **168,731** | **$ 1,687** | **$1,449,773** | **$ (3,629)** | **$ (3,785)** | **$ 2,945** | **$ (368)** | **$(293,430)** | **$ 94,694** | **$1,247,887** |
| 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 by shareholders, net of loans issued | — | — | — | 687 | — | — | — | — | — | 687 |
| Share-based compensation | — | — | 7,648 | — | — | — | — | — | — | 7,648 |
| Dividends declared on common stock and equivalents ($0.035 per share) | — | — | — | — | — | — | — | (5,919) | — | (5,919) |
| Distribution to noncontrolling interest | — | — | — | 105 | — | — | — | — | (1,274) | (1,169) |
| Issuance of common stock upon settlement of RSUs, net of shares withheld | 626 | 6 | (3,477) | — | — | — | — | — | — | (3,471) |
| Other | — | 1 | — | (28) | — | — | — | — | — | (27) |
| **Balance at June 30, 2024** | **169,357** | **$ 1,694** | **$1,453,944** | **$ (2,865)** | **$ (11,667)** | **$ (559)** | **$ (368)** | **$(304,840)** | **$ 93,918** | **$1,229,257** |

*See accompanying notes to Condensed Consolidated Financial Statements.*

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

| | Two Quarters Ended | |
|---|---|---|
| | **June 29, 2025 (26 weeks)** | **June 30, 2024 (26 weeks)** |
| **CASH FLOWS (USED FOR)/PROVIDED BY OPERATING ACTIVITIES:** | | |
| Net loss | $ (474,523) | $ (11,594) |
| Adjustments to reconcile net loss to net cash (used for)/provided by operating activities: | | |
| Depreciation and amortization expense | 69,683 | 68,186 |
| Deferred and other income taxes | (30,785) | (5,338) |
| Goodwill impairment | 355,958 | — |
| Other asset impairments and lease termination charges | 51,136 | 448 |
| Loss/(gain) on disposal of property and equipment | 403 | (3) |
| Loss on divestiture of Insomnia Cookies | 11,501 | — |
| Gain on sale-leaseback | (6,749) | — |
| Share-based compensation | 7,237 | 14,634 |
| Change in accounts and notes receivable allowances | 986 | 327 |
| Inventory write-off | 1,495 | 1,038 |
| Amortization related to settlement of interest rate swap derivatives | — | (5,910) |
| Other | 2,224 | 858 |
| Change in operating assets and liabilities, excluding foreign currency translation adjustments | (41,943) | (47,121) |
| **Net cash (used for)/provided by operating activities** | **(53,377)** | **15,525** |
| **CASH FLOWS PROVIDED BY/(USED FOR) INVESTING ACTIVITIES:** | | |
| Purchase of property and equipment | (54,106) | (60,735) |
| Proceeds from sale-leaseback | 10,882 | — |
| Purchase of equity method investment | (2,140) | (3,506) |
| Net proceeds from divestiture of Insomnia Cookies | 75,000 | — |
| Principal payments received from loans to franchisees | 1,202 | — |
| Disbursement for loan receivable | — | (1,086) |
| Other investing activities | 99 | 166 |
| **Net cash provided by/(used for) investing activities** | **30,937** | **(65,161)** |
| **CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:** | | |
| Proceeds from the issuance of debt | 516,900 | 365,000 |
| Repayment of long-term debt and lease obligations | (485,894) | (306,797) |
| Payment of financing costs | (825) | — |
| Proceeds from structured payables | 198,052 | 190,162 |
| Payments on structured payables | (199,228) | (190,811) |
| Capital contribution by shareholders, net of loans issued | — | 919 |
| Distribution to shareholders | (11,934) | (11,807) |
| Payments for repurchase and retirement of common stock | (787) | (4,275) |
| Distribution to noncontrolling interest | (36) | (2,146) |
| **Net cash provided by financing activities** | **16,248** | **40,245** |
| Effect of exchange rate changes on cash, cash equivalents and restricted cash | (1,300) | (115) |
| Net decrease in cash, cash equivalents and restricted cash | (7,492) | (9,506) |
| Cash, cash equivalents and restricted cash at beginning of period | 29,315 | 38,614 |
| **Cash, cash equivalents and restricted cash at end of period** | **$ 21,823** | **$ 29,108** |
| Supplemental schedule of non-cash investing and financing activities: | | |
| Increase in accrual for property and equipment | $ 10,312 | $ 12,176 |
| Accrual for distribution to shareholders | — | (5,919) |
| Reconciliation of cash, cash equivalents and restricted cash at end of period: | | |
| Cash and cash equivalents | $ 21,264 | $ 28,625 |
| Restricted cash | 559 | 483 |
| **Total cash, cash equivalents and restricted cash** | **$ 21,823** | **$ 29,108** |

*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 produce doughnuts and deliver fresh doughnut experiences for Doughnut Shops, Delivered Fresh Daily ("DFD") Doors, 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 through the date of deconsolidation; 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 quarters ended June 29, 2025 and June 30, 2024 were both 13-week periods.

The accompanying unaudited Condensed Consolidated Financial Statements include the accounts of KKI and its 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 its 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.

The accompanying unaudited 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 29, 2024, included in the Annual Report on Form 10-K. The Condensed Consolidated Balance Sheet as of December 29, 2024 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 and two quarters ended June 29, 2025 are not necessarily indicative of the results of operations that may be achieved for the entire fiscal year ending December 28, 2025.

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 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 Holdings Pty Ltd. ("KK Australia"), Krispy Kreme Mexico Holding S.A.P.I. de C.V. ("KK Mexico"), and Krispy Kreme Doughnut Japan Co., Ltd. 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 in 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 29, 2024 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 29, 2025.

***Termination of the Business Relationship Agreement with McDonald's USA***

On June 24, 2025, the Company and McDonald's USA, LLC ("McDonald's USA") announced that the companies had jointly decided to terminate the Business Relationship Agreement between Krispy Kreme Doughnut Corporation and McDonald's USA (the "Business Relationship Agreement") effective July 2, 2025 (the "Termination Effective Date"). Effective as of the Termination Effective Date, neither party has any further obligations to the other party under the Business Relationship Agreement except for obligations related to confidentiality, indemnification, and certain other miscellaneous provisions that expressly survive termination.

***Goodwill and Other Asset Impairments***

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. For each reporting unit, the Company assesses goodwill for impairment annually at the beginning of the fourth quarter or more frequently when impairment indicators are present. If the carrying value of the reporting unit exceeds its fair value, the Company recognizes an impairment charge for the difference up to the carrying value of the allocated goodwill.

In the quarter ended June 29, 2025, management identified impairment indicators that required a quantitative assessment of goodwill outside of management's routine annual assessment. These indicators included that during the two quarters ended June 29, 2025, the Company experienced a decline in its stock price and market capitalization, which became significant and sustained during the quarter ended June 29, 2025. In addition, the Company's operating results for the quarter were below previous forecasts. Lastly, the Company updated its forecasts for the full year following termination of the Business Relationship Agreement with McDonald's USA during the quarter, and the updated forecasts were below previous forecasts. After completing the quantitative impairment test, management concluded that the estimated fair values of the U.S., Krispy Kreme Holding U.K. Ltd. ("KK U.K."), and KK Australia reporting units had declined below their carrying values, and management recognized a cumulative, non-cash, partial goodwill impairment charge of $356.0 million (gross of income taxes) in the quarter ended June 29, 2025.

The estimated fair values of the reporting units were based on estimates and assumptions that are considered Level 3 inputs under the fair value hierarchy. In estimating the fair values of the reporting units, management reconciles the fair value of the Company to the Company's market capitalization. Consistent with the most recent quantitative assessment for the fiscal year ended December 29, 2024, management utilized a discounted cash flow approach and a market approach to determine fair values, allocating 50% to each approach. These calculations require management to make assumptions and to apply judgment when estimating future cash flows and asset fair values, including projected revenue growth and operating expenses related to existing businesses, product innovation, and new shop concepts, as well as selecting valuation multiples of similar publicly traded companies and an appropriate discount rate. Estimates of revenue growth and operating expenses are based on internal projections considering the reporting unit's past performance and forecasted growth, strategic initiatives, local market economics, and the local business environment impacting the reporting unit's performance. The discount rate is selected based on the estimated cost of capital for a market participant to operate the reporting unit in the region. These estimates, as well as the selection of comparable companies and valuation multiples used in the market approaches are highly subjective, and the Company's ability to realize the future cash flows used in management's fair value calculations is affected by factors such as the success of strategic initiatives, changes in economic conditions, changes in operating performance, and changes in business strategies, including retail initiatives and international expansion. For the discounted cash flow approach, management applied discount rates to management's projected cash flows of approximately 10.0%, 12.0%, and 12.0% for the U.S., KK U.K., and KK Australia reporting units, respectively.

If the Company's future performance varies from current expectations, assumptions, or estimates this may impact the impairment analysis and could reduce the underlying cash flows used to estimate fair values, resulting in a decline in fair value that may result in future impairment charges. Management will continue to monitor developments, including updates to forecasts and the Company's market capitalization. Goodwill impairment assessment may be required in the future which could result in updates to goodwill and related estimates in the future. Refer to Note 4, Goodwill and Other Intangible Assets, net for additional information.

Additionally, in response to management's updated forecasts and the termination of the Business Relationship Agreement with McDonald's USA during the quarter ended June 29, 2025, the Company recorded non-cash long-lived asset impairment charges of $22.1 million and non-cash lease impairment and termination costs of $28.9 million. These impairment charges, along with the goodwill impairment, are included in Goodwill and other asset impairments in the Condensed Consolidated Statements of Operations.

The goodwill and other asset impairments do not have an impact on the Company's compliance with the financial covenants under the Company's debt arrangements.

***Reclassifications***

In the Condensed Consolidated Statements of Operations, Goodwill and other asset impairments in the comparative period have been reclassified (formerly presented within Other income, net) to be consistent with current quarter presentation.

***Recent Accounting Pronouncements***

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which focuses on the rate reconciliation and income taxes paid disclosures. The ASU 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 ASU is effective for annual periods beginning after December 15, 2024, with early adoption permitted. An entity should apply the amendments in this ASU prospectively, with retrospective application permitted. The Company expects this ASU to impact its annual income tax disclosures, but with no impacts to its results of operations, cash flows, and financial condition.

In November 2024, the FASB issued ASU 2024-03, *Income Statement (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires a PBE to disclose in the notes to the financial statements, at each interim and annual reporting period, specified information about certain costs and expenses, including (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization, and (e) depreciation, depletion, and amortization recognized as part of oil and gas-producing activities, for each income statement line item that contains those expenses. For PBEs, the ASU is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. An entity may apply the amendments in this ASU prospectively or retrospectively. The Company expects this ASU to impact its expense disclosures, but with no impacts to its results of operations, cash flows, and financial condition.

## Note 2 — Acquisitions and Divestitures

### *2025 Acquisitions and Divestitures*

*Equity Method Investments*

In the quarter ended June 29, 2025, the Company invested approximately $2.1 million in cash to maintain a 45.0% noncontrolling ownership interest in Krispy Kreme Doughnuts Brasil S.A. ("KK Brazil"). As the Company has the ability to exercise significant influence over KK Brazil, but does not have the ability to exercise control, the investment is accounted for using the equity method, and equity method earnings are recognized within Other income, net in the Condensed Consolidated Statements of Operations.

*Divestiture of Insomnia Cookies*

In the quarter ended June 29, 2025, the Company sold the remainder of its ownership interest in Insomnia Cookies Holdings, LLC ("Insomnia Cookies") for aggregate cash proceeds of $75.0 million. Insomnia Cookies was previously accounted for using the equity method, and the Company recognized a loss on divestiture of $11.5 million (gross of income taxes) which is included within Loss on divestiture of Insomnia Cookies in the Condensed Consolidated Statements of Operations.

### *2024 Acquisitions*

*Equity Method Investments*

In the quarter ended June 30, 2024, the Company acquired a 45.0% noncontrolling ownership interest in the newly formed entity, KK Brazil, for approximately $2.7 million in cash, and a 25.0% noncontrolling ownership interest in the newly formed entity, Glaseadas Originales S.L. ("KK Spain"), for approximately $0.8 million in cash. Both investments are accounted for using the equity method, and equity method earnings are recognized within Other income, net in the Condensed Consolidated Statements of Operations.

## Note 3 — Inventories

The components of Inventories are as follows:

| | June 29, 2025 | December 29, 2024 |
|---|---|---|
| Raw materials | $ 23,523 | $ 20,698 |
| Work in progress | 221 | 328 |
| Finished goods and purchased merchandise | 9,953 | 7,107 |
| **Total inventories** | **$ 33,697** | **$ 28,133** |

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

### *Goodwill, net*

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

| | U.S. | International | Market Development | Total |
|---|---|---|---|---|
| **Balance as of December 29, 2024** | **$ 652,784** | **$ 283,018** | **$ 111,779** | **$ 1,047,581** |
| Adjustments related to deferred taxes | (516) | — | — | (516) |
| Goodwill impairment [1] | (270,162) | (85,796) | — | (355,958) |
| Foreign currency impact | — | 20,673 | — | 20,673 |
| **Balance as of June 29, 2025** | **$ 382,106** | **$ 217,895** | **$ 111,779** | **$ 711,780** |

[1] Refer to Note 1, Description of Business and Summary of Significant Accounting Policies for more information on the goodwill impairment.

### *Other Intangible Assets, net*

Other intangible assets consist of the following:

| | June 29, 2025 | | | December 29, 2024 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Amount | Gross Carrying Amount | Accumulated Amortization | Net Amount |
| **Intangible assets with indefinite lives** | | | | | | |
| Trade names and trademarks | $ 553,400 | $ — | $ 553,400 | $ 553,400 | $ — | $ 553,400 |
| **Intangible assets with definite lives** | | | | | | |
| Franchise agreements | 27,154 | (11,706) | 15,448 | 27,154 | (11,050) | 16,104 |
| Customer relationships | 15,000 | (7,710) | 7,290 | 15,000 | (7,277) | 7,723 |
| Reacquired franchise rights [1] | 418,673 | (182,467) | 236,206 | 402,894 | (160,187) | 242,707 |
| **Total intangible assets with definite lives** | **460,827** | **(201,883)** | **258,944** | **445,048** | **(178,514)** | **266,534** |
| **Total intangible assets** | **$ 1,014,227** | **$ (201,883)** | **$ 812,344** | **$ 998,448** | **$ (178,514)** | **$ 819,934** |

[1] 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 $7.8 million and $15.5 million for the quarter and two quarters ended June 29, 2025, respectively, and $7.4 million and $14.8 million for the quarter and two quarters ended June 30, 2024, respectively.

## Note 5 — Leases

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

| | | As of | |
|---|---|---|---|
| | | June 29, 2025 | December 29, 2024 |
| **Assets** | **Classification** | | |
| Operating lease | Operating lease right of use asset, net | $ 418,602 | $ 409,869 |
| Finance lease | Property and equipment, net | 67,606 | 72,221 |
| **Total leased assets** | | **$ 486,208** | **$ 482,090** |
| **Liabilities** | | | |
| Current | | | |
| Operating lease | Current operating lease liabilities | $ 46,979 | $ 46,620 |
| Finance lease | Current portion of long-term debt | 20,754 | 16,356 |
| Noncurrent | | | |
| Operating lease | Noncurrent operating lease liabilities | 419,388 | 405,366 |
| Finance lease | Long-term debt, less current portion | 73,615 | 63,369 |
| **Total leased liabilities** | | **$ 560,736** | **$ 531,711** |

Lease costs were as follows:

| | | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|---|
| | | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| **Lease cost** | **Classification** | | | | |
| Operating lease cost | Selling, general and administrative expense | $ 736 | $ 879 | $ 1,537 | $ 1,814 |
| Operating lease cost | Operating expenses | 22,988 | 24,365 | 45,101 | 48,388 |
| Short-term lease cost | Operating expenses | 1,562 | 1,265 | 2,745 | 2,350 |
| Variable lease costs | Operating expenses | 8,078 | 7,398 | 15,075 | 14,831 |
| Sublease income | Royalties and other revenues | (92) | (35) | (176) | (70) |
| Finance lease cost: | | | | | |
| Amortization of right of use assets | Depreciation and amortization expense | $ 5,746 | $ 2,867 | $ 11,042 | $ 5,788 |
| Interest on lease liabilities | Interest expense, net | 1,524 | 865 | 2,988 | 1,742 |

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

| | Two Quarters Ended | |
|---|---|---|
| | June 29, 2025 | June 30, 2024 |
| **Other information** | | |
| Cash paid for leases: | | |
| Operating cash flows for operating leases [1] | $ 61,102 | $ 58,406 |
| Operating cash flows for finance leases | 2,981 | 1,728 |
| Financing cash flows for finance leases | 10,744 | 5,297 |
| Right of use assets obtained in exchange for new lease liabilities: | | |
| Operating leases | $ 34,018 | $ 26,909 |
| Finance leases | 24,812 | 4,594 |

(1) Operating cash flows for operating leases include variable rent payments which are not included in the measurement of lease liabilities. Variable rent payments were $15.1 million for the two quarters ended June 29, 2025 and $14.8 million for the two quarters ended June 30, 2024.

In the quarter ended June 29, 2025, the Company completed two sale-leaseback transactions whereby it disposed of real estate at two properties for cumulative proceeds of $10.9 million. The Company subsequently leased back the properties, which are accounted for as operating leases. The Company recognized net gains on sale of $6.7 million, which are included in Other income, net on the Condensed Consolidated Statement of Operations. There were no sale-leaseback transactions completed in the two quarters ended June 30, 2024.

In the quarter ended June 29, 2025, the Company recorded lease impairment and termination costs of $28.9 million. Refer to Note 1, Description of Business and Summary of Significant Accounting Policies for more information.

## 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 29, 2025 and December 29, 2024:

| | June 29, 2025 Level 2 |
|---|---|
| Assets: | |
| Commodity derivatives | $ 134 |
| **Total Assets** | **$ 134** |
| | |
| Liabilities: | |
| Interest rate derivatives | $ 8,213 |
| Foreign currency derivatives | 866 |
| **Total Liabilities** | **$ 9,079** |

| | December 29, 2024 Level 2 |
|---|---|
| Assets: | |
| Interest rate derivatives | $ 362 |
| **Total Assets** | **$ 362** |
| | |
| Liabilities: | |
| Foreign currency derivatives | $ 749 |
| Commodity derivatives | 6 |
| **Total Liabilities** | **$ 755** |

There were no assets or liabilities measured using Level 1 or 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 29, 2025 and fiscal year ended December 29, 2024. 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 both June 29, 2025 and December 29, 2024, the total notional amount of commodity derivatives was 1.5 million gallons of fuel. They are scheduled to mature between July 2025 and March 2026 and January 2025 and October 2025, respectively. As of June 29, 2025 and December 29, 2024, the Company recorded balances of $0.1 million and less than $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 29, 2025 and December 29, 2024, the aggregate notional amount hedged by the swap agreements was $550.0 million and $500.0 million of term loan principal, respectively. As of June 29, 2025 and December 29, 2024, the Company has recorded a liability of $8.2 million and an asset of $0.4 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.

The net effect of the interest rate swap arrangements is to fix the variable 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.

### *Foreign Currency Exchange Rate Risk*

The Company is exposed to foreign currency exchange rate 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 foreign exchange fluctuations, the Company enters into foreign exchange forward contracts. Management has not designated these forward contracts as hedges. As of June 29, 2025 and December 29, 2024, the total notional amount of foreign exchange derivatives was $214.3 million and $152.6 million, respectively. The majority matured in July 2025 and January 2025, respectively. The Company recorded liabilities of $0.9 million and $0.7 million as of June 29, 2025 and December 29, 2024, 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 29, 2025 and December 29, 2024, 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 Fair Value | | |
|---|---|---|---|
| **Derivatives Not Designated as Hedging Instruments** | **June 29, 2025** | **December 29, 2024** | **Balance Sheet Location** |
| Commodity derivatives | $ 134 | $ — | Prepaid expense and other current assets |
| **Total Assets** | **$ 134** | **$ —** | |
| Foreign currency derivatives | $ 866 | $ 749 | Accrued liabilities |
| Commodity derivatives | — | 6 | Accrued liabilities |
| **Total Liabilities** | **$ 866** | **$ 755** | |

| Derivatives Designated as Hedging Instruments | Derivatives Fair Value June 29, 2025 | December 29, 2024 | Balance Sheet Location |
|---|---|---|---|
| Interest rate derivatives (current) | $ — | $ 112 | Prepaid expense and other current assets |
| Interest rate derivatives (noncurrent) | — | 250 | Other assets |
| **Total Assets** | **$ —** | **$ 362** | |
| Interest rate derivatives (current) | $ 2,996 | $ — | Accrued liabilities |
| Interest rate derivatives (noncurrent) | 5,217 | — | Other long-term obligations and deferred credits |
| **Total Liabilities** | **$ 8,213** | **$ —** | |

The effect of derivative instruments in the Condensed Consolidated Statements of Operations for the quarters and two quarters ended June 29, 2025 and June 30, 2024 is as follows:

| Derivatives Designated as Hedging Instruments | Derivative Gain Recognized in Income for the Quarter Ended June 29, 2025 | June 30, 2024 | Derivative Gain Recognized in Income for the Two Quarters Ended June 29, 2025 | June 30, 2024 | Location of Derivative Gain Recognized in Income |
|---|---|---|---|---|---|
| Gain on interest rate derivatives | $ 336 | $ 3,016 | $ 623 | $ 6,067 | Interest expense, net |
| | **$ 336** | **$ 3,016** | **$ 623** | **$ 6,067** | |

| Derivatives Not Designated as Hedging Instruments | Derivative (Loss)/Gain Recognized in Income for the Quarter Ended June 29, 2025 | June 30, 2024 | Derivative (Loss)/Gain Recognized in Income for the Two Quarters Ended June 29, 2025 | June 30, 2024 | Location of Derivative (Loss)/Gain Recognized in Income |
|---|---|---|---|---|---|
| (Loss)/Gain on foreign currency derivatives | $ (220) | $ 191 | $ (117) | $ (63) | Other non-operating (income)/expense, net |
| Gain/(loss) on commodity derivatives | 45 | (87) | 140 | 367 | Other non-operating (income)/expense, net |
| | **$ (175)** | **$ 104** | **$ 23** | **$ 304** | |

## 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 29, 2025 and December 29, 2024:

| | June 29, 2025 | December 29, 2024 | Balance Sheet Location |
|---|---|---|---|
| Supply chain financing programs | $ 3,696 | $ 6,912 | Accounts payable |
| Structured payables programs | 134,721 | 135,668 | Structured payables |
| **Total Liabilities** | **$ 138,417** | **$ 142,580** | |

### *Supply Chain Financing ("SCF") Programs*

The Company has an agreement with a third-party administrator which allows participating vendors to track the Company's payments, and if voluntarily elected by the vendor, to sell payment obligations from the Company to financial institutions as part of the SCF program. 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 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. The Company has historically prioritized negotiating longer payment terms with some of its largest vendors, and certain of these vendors have also elected to participate in the SCF program. Payment terms and pricing negotiations are independent of, and not conditioned upon, a vendor's participation in the SCF program. The financial institutions do not provide the Company with incentives such as rebates or profit sharing under the SCF program. As the terms are not impacted by the SCF program, such obligations are classified as Accounts payable in 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 in 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 consist of the following:

| | June 29, 2025 | December 29, 2024 |
|---|---|---|
| 2023 Facility — term loan | $ 763,750 | $ 647,500 |
| 2023 Facility — revolving credit facility | 97,500 | 172,000 |
| Short-term lines of credit | 5,000 | 5,000 |
| Less: Debt issuance costs | (3,574) | (3,322) |
| Finance lease obligations | 94,369 | 79,725 |
| **Total long-term debt** | **957,045** | **900,903** |
| Less: Current portion of long-term debt | (67,603) | (56,356) |
| **Long-term debt, less current portion** | **$ 889,442** | **$ 844,547** |

### *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. During the quarter ended June 29, 2025, the Company amended the 2023 Facility (referred to herein as the "2025 Amendment") to, among other things, establish additional, incremental term loan commitments in an aggregate principal amount of $125.0 million. During the quarter ended June 29, 2025, the Company capitalized $0.8 million of debt issuance costs related to the 2025 Amendment.

Borrowings under the 2023 Facility are generally subject to an interest rate of adjusted term Secured Overnight Financing Rate ("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 29, 2025 and December 29, 2024, the unhedged interest rates were 6.43% and 6.48% under the 2023 Facility, respectively. As of June 29, 2025 and December 29, 2024, $ 550.0 million and $500.0 million, respectively, of the outstanding term loan balance was hedged, with the interest rate swap agreements scheduled to mature in March 2028. As of June 29, 2025 and December 29, 2024, the effective interest rates on the term loan were approximately 6.17% and 6.20%, respectively. The Company is required to make installments of 1.25% of the aggregate closing date principal amounts 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.

The 2023 Facility is secured by a first priority lien on substantially all of the Company's personal property assets, certain real estate 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, and other investments) and for any other purpose not prohibited under the related loan documents. The 2025 Amendment imposed certain restrictions on the ability to make restricted payments, including dividends, if the leverage ratio under the 2023 Facility exceeds 3.00 to 1.00.

### *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 an aggregate of $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:

| *(in thousands, except per share amounts)* | Non-vested shares outstanding at December 29, 2024 | Granted | Vested | Forfeited | Non-vested shares outstanding at June 29, 2025 |
|---|---|---|---|---|---|
| **KKI** | | | | | |
| RSUs and PSUs | **5,984** | 4,499 | 1,145 | 825 | **8,513** |
| Weighted Average Grant Date Fair Value | **$ 14.29** | 4.34 | 14.86 | 13.26 | **$ 9.05** |
| **KK U.K.** | | | | | |
| RSUs | **7** | — | 3 | 4 | **—** |
| Weighted Average Grant Date Fair Value | **$ 29.80** | — | 29.80 | 29.80 | **$ —** |
| **KK Australia** | | | | | |
| RSUs | **137** | — | 63 | — | **74** |
| Weighted Average Grant Date Fair Value | **$ 1.39** | — | 1.67 | — | **$ 1.53** |
| **KK Mexico** | | | | | |
| RSUs | **18** | — | — | — | **18** |
| Weighted Average Grant Date Fair Value | **$ 30.01** | — | — | — | **$ 30.01** |

The Company recorded total non-cash compensation expense related to the RSUs and PSUs under the plans of $4.2 million and $6.4 million for the quarter and two quarters ended June 29, 2025, respectively, and $6.8 million and $12.9 million for the quarter and two quarters ended June 30, 2024, 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 29, 2025 | |
|---|---|---|
| | Unrecognized Compensation Cost | Recognized Over a Weighted Average Period of |
| KKI | $ 45,363 | 2.7 years |
| KK Australia | 13 | 0.6 years |
| KK Mexico | 16 | 0.1 years |

The estimated fair value of restricted stock is calculated using a market approach (i.e., 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 2021 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.

The status of the time-vested stock options as of December 29, 2024 and changes during the first two quarters of fiscal 2025 are presented below:

| *(in thousands, except per share amounts)* | Share options outstanding at December 29, 2024 | Granted | Exercised | Forfeited or Expired | Share options outstanding at June 29, 2025 |
|---|---|---|---|---|---|
| **KKI** | | | | | |
| Options | **2,662** | — | — | 73 | **2,589** |
| Weighted Average Grant Date Fair Value | **$ 5.88** | — | — | 6.10 | **$ 5.87** |
| Weighted Average Exercise Price | **$ 14.27** | — | — | 14.61 | **$ 14.26** |

The Company recorded total non-cash compensation expense related to the time-vested stock options of $0.4 million and $0.8 million for the quarter and two quarters ended June 29, 2025, respectively, and $0.9 million and $1.8 million for the quarter and two quarters ended June 30, 2024, 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 29, 2025 | |
|---|---|---|
| | Unrecognized Compensation Cost | Recognized Over a Weighted Average Period of |
| KKI | $ 2,220 | 0.7 years |

No time-vested stock options vested during the quarter and two quarters ended June 29, 2025. During the quarter and two quarters ended June 30, 2024, 1.5 million time-vested stock options vested.

## 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 4.4% and 4.6% for the quarter and two quarters ended June 29, 2025, respectively, and 42.3% and -5.9% for the quarter and two quarters ended June 30, 2024, respectively. The Company's effective income tax rate for the quarter ended June 29, 2025 differed from the respective statutory rates primarily due to the tax effects of goodwill impairment charges, the mix of income and taxes attributable to foreign jurisdictions, disallowed executive compensation expense, and the sale of the Company's investment in Insomnia Cookies. The Company's effective income tax rate for the quarter 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.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was enacted in the U.S. The legislation permanently extends certain expiring provisions of the Tax Cuts and Jobs Act, alters aspects of the U.S. international tax regime, and reinstates certain business tax provisions, among other changes. The OBBBA has multiple effective dates, with provisions becoming effective in 2025 through 2027. The Company is currently assessing the OBBBA's expected impact on its consolidated financial statements.

## Note 12 — Commitments and Contingencies

### *Pending Litigation*

*Securities Litigation*

On May 16, 2025, a shareholder of the Company filed a putative federal securities class action in the Western District of North Carolina against the Company, its Chief Executive Officer ("CEO"), and its former Chief Financial Officer ("CFO"). On June 30, 2025, a shareholder of the Company filed a similar putative federal securities class action in the Western District of North Carolina against the Company, its CEO, and its former CFO. Both actions allege that, throughout the proposed putative class periods, defendants made materially false and/or misleading statements and/or failed to disclose materially adverse facts concerning the Company's business, operations, and prospects related to the Business Relationship Agreement with McDonald's USA. Motions to appoint lead plaintiff for both actions were filed on June 15, 2025.

*Data Breach Litigation*

On June 16, 2025, the Company released a Notice of Data Breach stating that on November 29, 2024, the Company became aware of the 2024 Cybersecurity Incident (defined below) and on May 22, 2025, the Company's investigation determined that personal information of certain individuals was affected. Beginning on June 20, 2025, several putative class actions lawsuits have been filed against the Company in the Middle District of North Carolina and the Western District of North Carolina. The complaints assert claims of negligence, negligence per se, unjust enrichment, breach of implied contract, breach of the implied covenant of good faith and fair dealing, breach of confidence, breach of fiduciary duty, breach of bailment, invasion of privacy, declaratory judgment, and violations of California and North Carolina statutory law, arising from the Company's alleged failure to secure and safeguard the personally identifiable information and private health information of plaintiffs and purported class members.

The securities litigation and data breach litigation are currently in the pleading phase. The Company has engaged external counsel with respect to these matters and intends to vigorously defend against them. It is too soon to predict with any certainty what, if any, damages could be awarded if liability were found.

*Shareholder Derivative Litigation*

On June 13, 2025 and June 25, 2025, purported shareholders of the Company filed shareholder derivative actions in the Western District of North Carolina against its CEO, its former CFO, and current and former members of its Board of Directors. Both derivative actions allege that the derivative defendants breached their fiduciary duties by allowing the Company to issue materially false and misleading statements and failed to maintain adequate internal controls. This matter is currently in the pleading phase and the Company has engaged external counsel with respect to this matter.

***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 $20.3 million as of June 29, 2025 and $20.8 million as of December 29, 2024, 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 29, 2025 the Company held minority equity interests in three entities, Krispy Kreme Doughnuts France SAS ("KK France") (33.0% ownership), KK Brazil (45.0% ownership), and KK Spain (25.0% ownership) with an aggregate carrying value of $6.1 million. As of December 29, 2024 the company held minority equity interests in four entities, KK France (33.0% ownership), KK Brazil (45.0% ownership), KK Spain (25.0% ownership), and Insomnia Cookies (34.8% ownership), with an aggregate carrying value of $91.1 million.

In the quarter ended June 29, 2025, the Company sold its remaining ownership interest in Insomnia Cookies. In connection with this transaction, the Company incurred $0.5 million of financial advisory fees with an affiliate of BNP Paribas, SA, which beneficially owns greater than 5% of the Company's common stock. Refer to Note 2, Acquisitions and Divestitures for further information.

## Note 14 — Revenue Recognition

***Disaggregation of Revenues***

Revenues are disaggregated as follows:

| | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| Company Shops and DFD | $ 362,194 | $ 413,748 | $ 717,872 | $ 833,961 |
| Mix and equipment revenue from franchisees | 9,183 | 15,663 | 19,984 | 28,962 |
| Franchise royalties and other | 8,390 | 9,398 | 17,095 | 18,584 |
| **Total net revenues** | **$ 379,767** | **$ 438,809** | **$ 754,951** | **$ 881,507** |

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 29, 2025 | December 29, 2024 | Balance Sheet Location |
|---|---|---|---|
| Trade receivables, net of allowances of $1,212 and $1,060, respectively | $ 51,547 | $ 57,439 | Accounts receivables, net |
| Deferred revenue: | | | |
| Current | $ 15,776 | $ 16,506 | Accrued liabilities |
| Noncurrent | 9,285 | 8,569 | Other long-term obligations and deferred credits |
| **Total deferred revenue** | **$ 25,061** | **$ 25,075** | |

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 per Share

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

| | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| *(in thousands, except per share amounts)* | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| Net loss attributable to Krispy Kreme, Inc. | $ (435,260) | $ (5,491) | $ (468,544) | $ (14,025) |
| Additional income attributed to noncontrolling interest due to subsidiary potential common shares | — | (11) | — | (30) |
| Net loss attributable to common shareholders - Diluted | $ (435,260) | $ (5,502) | $ (468,544) | $ (14,055) |
| Basic weighted average common shares outstanding | 170,802 | 169,095 | 170,546 | 168,890 |
| Dilutive effect of outstanding common stock options, RSUs, and PSUs | — | — | — | — |
| Diluted weighted average common shares outstanding | 170,802 | 169,095 | 170,546 | 168,890 |
| **Loss per share attributable to common shareholders:** | | | | |
| Basic | $ (2.55) | $ (0.03) | $ (2.75) | $ (0.08) |
| Diluted | $ (2.55) | $ (0.03) | $ (2.75) | $ (0.08) |

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. Refer to Note 10, Share-based Compensation for further information about the plans.

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

| | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| *(in thousands)* | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| KKI | 8,513 | 7,001 | 8,513 | 7,001 |
| KK U.K. | — | 7 | — | 7 |
| KK Australia | 74 | — | 74 | — |
| KK Mexico | 18 | 18 | 18 | — |

For the quarter and two quarters ended June 29, 2025 and June 30, 2024, all 2.6 million and 2.9 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 following three reportable segments:

- ***U.S.:*** Includes all Krispy Kreme Company-owned operations in the U.S., and Insomnia Cookies Bakeries globally through the date of deconsolidation;
- ***International:*** Includes all Krispy Kreme Company-owned operations in the U.K., Ireland, Australia, New Zealand, Mexico, Canada, and Japan; and
- ***Market Development:*** Includes franchise operations across the globe.

Unallocated corporate costs are excluded from the Company's measurement of segment performance. These costs include general corporate expenses.

Segment information is identified and prepared on the same basis that the CEO, the Company's Chief Operating Decision Maker ("CODM"), evaluates financial results, allocates resources, and makes key operating decisions. The CODM allocates resources and assesses performance based on geography and line of business, which represents the Company's operating segments.

The primary financial measures used by the CODM to evaluate the performance of its operating segments are net revenues and segment Adjusted EBIT. For all of the segments, the CODM uses segment Adjusted EBIT to monitor and evaluate operating performance and to provide a consistent benchmark for comparison across reporting periods.

The following tables reconcile segment results to consolidated results reported in accordance with GAAP. The accounting policies used for internal management reporting at the operating segments are consistent with those described in Note 1, Description of Business and Summary of Significant Accounting Policies, to the Condensed Consolidated Financial Statements. The Company manages its assets on a total company basis and the CODM does not review asset information by segment when assessing performance or allocating resources. Consequently, the Company does not report total assets by reportable segment.

The reportable segment results are as follows:

| | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| ***U.S.*** | | | | |
| Net revenues | $ 230,099 | $ 289,304 | $ 466,643 | $ 585,239 |
| Less: | | | | |
| Product and distribution costs, adjusted | 56,756 | 67,285 | 114,586 | 135,970 |
| Operating expenses, adjusted | 139,224 | 152,388 | 274,746 | 299,569 |
| Selling, general and administrative expense, adjusted | 17,055 | 27,674 | 36,204 | 56,076 |
| Marketing expenses, adjusted | 7,408 | 8,408 | 14,242 | 16,633 |
| Other segment items [1] | (275) | 882 | 1,024 | 1,708 |
| Depreciation expense and amortization of right of use assets, adjusted | 17,304 | 16,587 | 33,519 | 32,100 |
| **Total U.S. Adjusted EBIT** | **$ (7,373)** | **$ 16,080** | **$ (7,678)** | **$ 43,183** |
| | | | | |
| ***International*** | | | | |
| Net revenues | $ 132,755 | $ 125,269 | $ 252,390 | $ 250,019 |
| Less: | | | | |
| Product and distribution costs, adjusted | 30,624 | 30,802 | 57,726 | 61,065 |
| Operating expenses, adjusted | 67,063 | 58,674 | 129,061 | 115,824 |
| Selling, general and administrative expense, adjusted | 13,056 | 11,123 | 25,777 | 24,692 |
| Marketing expenses, adjusted | 3,234 | 3,006 | 5,878 | 6,007 |
| Other segment items [1] | 557 | 8 | 830 | 239 |
| Depreciation expense and amortization of right of use assets, adjusted | 8,200 | 7,589 | 15,736 | 15,241 |
| **Total International Adjusted EBIT** | **$ 10,021** | **$ 14,067** | **$ 17,382** | **$ 26,951** |
| | | | | |
| ***Market Development*** | | | | |
| Net revenues | $ 16,913 | $ 24,236 | $ 35,918 | $ 46,249 |
| Less: | | | | |
| Product and distribution costs, adjusted | 5,109 | 9,663 | 10,657 | 17,662 |
| Selling, general and administrative expense, adjusted | 1,122 | 911 | 2,436 | 2,352 |
| Other segment items [1] | 1,734 | 787 | 2,830 | 1,460 |
| Depreciation expense and amortization of right of use assets, adjusted | 38 | 38 | 77 | 77 |
| **Total Market Development Adjusted EBIT** | **$ 8,910** | **$ 12,837** | **$ 19,918** | **$ 24,698** |
| | | | | |
| ***Corporate*** | | | | |
| **Total Corporate expenses within Adjusted EBIT** | **$ (19,399)** | **$ (15,461)** | **$ (39,723)** | **$ (35,287)** |
| | | | | |
| ***Total Reportable Segment*** | | | | |
| **Total reportable segment net revenues** | **$ 379,767** | **$ 438,809** | **$ 754,951** | **$ 881,507** |
| **Total reportable segment Adjusted EBIT** | **$ (7,841)** | **$ 27,523** | **$ (10,101)** | **$ 59,545** |

(1) The U.S. and International segments' other segment items consist of pre-opening costs and other expenses, net. The Market Development segment other segment items consist of operating expenses, marketing expenses, pre-opening costs, and other expenses, net.

The following table presents a reconciliation of net loss to Adjusted EBIT:

| | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| **Net loss** | **$ (441,118)** | **$ (4,931)** | **$ (474,523)** | **$ (11,594)** |
| Interest expense, net | 16,696 | 14,452 | 32,892 | 28,188 |
| Income tax (benefit)/expense | (20,453) | (3,611) | (23,120) | 651 |
| Share-based compensation | 4,634 | 7,648 | 7,237 | 14,634 |
| Employer payroll taxes related to share-based compensation | 91 | 207 | 257 | 250 |
| Loss on divestiture of Insomnia Cookies | 11,501 | — | 11,501 | — |
| Goodwill impairment | 355,958 | — | 355,958 | — |
| Other non-operating (income)/expense, net [1] | (1,177) | 949 | (1,570) | 1,522 |
| Strategic initiatives [2] | 22,867 | 4,187 | 25,220 | 9,008 |
| Acquisition and integration expenses [3] | (182) | 851 | (111) | 1,099 |
| New market penetration expenses [4] | 245 | 572 | 320 | 1,038 |
| Shop closure expenses, net [5] | 35,723 | 628 | 35,995 | 767 |
| Restructuring and severance expenses [6] | 4,839 | 132 | 4,947 | 138 |
| Gain on sale-leaseback | (6,749) | — | (6,749) | — |
| Other [7] | 1,454 | (958) | 6,154 | (973) |
| Amortization of acquisition related intangibles [8] | 7,830 | 7,397 | 15,491 | 14,817 |
| **Adjusted EBIT** | **$ (7,841)** | **$ 27,523** | **$ (10,101)** | **$ 59,545** |

(1) Primarily foreign translation gains and losses in each period. The quarter and two quarters ended June 29, 2025 also consist of equity method income from Insomnia Cookies following the divestiture of a controlling interest in Insomnia Cookies during fiscal 2024.

(2) The quarter and two quarters ended June 29, 2025 consist primarily of costs associated with the U.S. national expansion, including exit costs associated with termination of the Business Relationship Agreement with McDonald's USA, and the evaluation of potential opportunities to refranchise certain equity markets. 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 U.S. national expansion (including McDonald's USA).

(3) 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.

(4) Consists of start-up costs associated with entry into new countries for which the Company's brands have not previously operated, including Brazil and Spain.

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

(6) The quarter and two quarters ended June 29, 2025 consist primarily of costs associated with restructuring of the U.S. and U.K. businesses.

(7) The quarter and two quarters ended June 29, 2025 consist primarily of $0.9 million and $5.3 million, respectively, in costs related to remediation of the 2024 Cybersecurity Incident, including fees for cybersecurity experts and other advisors. 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.

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

## 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 29, 2024, and in other reports filed subsequently with the SEC.*

### *Cautionary Note Regarding Forward-Looking Statements*

*Certain information included in this Quarterly Report on Form 10-Q is forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, and involves risks, assumptions, and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements can be identified by use of forward-looking terminology, including terms such as "plan," "believe," "may," "continue," "could," "will," "should," "would," "anticipate," "attempt," "estimate," "expect," "intend," "objective," "seek," "strive," or, in each case, the negative of these words, comparable terminology, or other references to future periods; however, statements may be forward-looking whether or not these terms or their negatives are used. Forward-looking statements are not 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. We consider the assumptions and estimates on which forward-looking statements are based to be reasonable, but they are subject to various risks and uncertainties relating to our operations, financial results, financial conditions, business, prospects, future plans and strategies, projections, liquidity, the economy, and other future conditions. Therefore, you should not place undue reliance on any of these forward-looking statements. Important factors could cause our actual results to differ materially from those contained in forward-looking statements including, without limitation: food safety issues, including risks of food-borne illnesses, tampering, contamination, and cross-contamination; impacts from the 2024 Cybersecurity Incident or any other material failure, inadequacy, or interruption of our information technology systems, including breaches or failures of such systems or other cybersecurity or data security-related incidents; any harm to our reputation or brand image; negative impacts on our business due to changes in consumer spending habits, consumer preferences, or demographic trends; changes in the cost of raw materials and other commodities, including due to import and export requirements (including tariffs), inflation, or foreign exchange rates; our ability to execute on our omni-channel business strategy; our significant indebtedness and our ability to meet the financial and other covenants under our credit facilities; regulatory investigations, enforcement actions, or material litigation; and other risks and uncertainties described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 29, 2024, filed by us with the SEC and described in the other filings we make from time to time with the SEC. These forward-looking statements are made only as of the date of this document, and we undertake no obligation to publicly update or revise any forward-looking statement whether as a result of new information, future events, or otherwise, except as may be required by law.*

## Overview

We believe Krispy Kreme is one of the most beloved and well-known sweet treat brands in the world. Krispy Kreme operates in more than 40 countries with its omni-channel strategy, which focuses on delivering fresh doughnuts such as our iconic Original Glazed® doughnut, recognized for its hot-off-the-line, melt-in-your-mouth experience, to where consumers are located and want to have access to them. Our purpose of touching and enhancing lives through the joy that is Krispy Kreme guides how we operate every day.

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

| | Quarter Ended | | | Two Quarters Ended | | |
|---|---|---|---|---|---|---|
| *(in thousands, except percentages)* | June 29, 2025 | June 30, 2024 | % Change | June 29, 2025 | June 30, 2024 | % Change |
| Net Revenues [1] | $ 379,767 | $ 438,809 | -13.5 % | $ 754,951 | $ 881,507 | -14.4 % |
| Net Loss [3] | (441,118) | (4,931) | nm | (474,523) | (11,594) | nm |
| Net Loss Attributable to Krispy Kreme, Inc. [3] | (435,260) | (5,491) | nm | (468,544) | (14,025) | nm |
| Adjusted Net (Loss)/Income, Diluted [2] | (25,307) | 9,108 | -377.9 % | (34,145) | 20,429 | -267.1 % |
| Adjusted EBIT [2] | (7,841) | 27,523 | -128.5 % | (10,101) | 59,545 | -117.0 % |
| Adjusted EBITDA [2] | 20,111 | 54,726 | -63.3 % | 44,091 | 112,914 | -61.0 % |

(1) Organic revenue declined 0.8% and 0.9% in the quarter and two quarters ended June 29, 2025, respectively. Refer to "Results of Operations" below for more information on and the calculation of organic revenue growth.

(2) Refer to "Key Performance Indicators and Non-GAAP Measures" below for more information as to how we define and calculate Adjusted EBITDA, Adjusted EBIT, and Adjusted Net (Loss)/Income, Diluted and for a reconciliation of Adjusted EBITDA, Adjusted EBIT, and Adjusted Net (Loss)/Income, Diluted to the most comparable measure calculated under GAAP.

(3) "nm" as used here and within "Results of Operations" means "not meaningful."

## Significant Events and Transactions

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

We made progress on the execution of our omni-channel strategy in the second quarter of fiscal 2025, 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 131 net new Global Points of Access in the second quarter of fiscal 2025 to reach 18,113 Global Points of Access. Throughout the second quarter, we continued to assess our DFD Door portfolio in the U.S. and made the decision to close certain lower-volume DFD Doors to better enable profitable growth, as we plan to expand through higher-volume, profitable DFD Doors in the future. During the second quarter, we also continued to outsource some of our U.S. DFD deliveries to third-party logistics ("3PL") carriers, and expect to outsource deliveries in additional U.S. locations to additional 3PL carriers through the middle of fiscal 2026.

### *Our Turnaround Plan*

We have implemented a comprehensive turnaround plan to deleverage the balance sheet and deliver sustainable, profitable growth through a focus on the following components:

- ***Refranchising*:** Improve financial flexibility through evaluation of opportunities to refranchise certain international equity markets, including the U.K., Ireland, Australia, New Zealand, Mexico, and Japan, and to restructure our consolidated subsidiary in the western U.S., WKS Krispy Kreme, which accounts for approximately 15% of revenues in the U.S. segment;
- ***Driving return on invested capital:*** Reduce capital intensity by using existing assets and focusing on franchisee development;
- ***Expanding profit margins:*** Expand profit margins through greater operational efficiency, including outsourcing U.S. logistics; and
- ***Driving sustainable, profitable growth:*** Pursue U.S. growth based upon sustainable and profitable revenue streams.

***Termination of the Business Relationship Agreement with McDonald's USA***

On June 24, 2025, we and McDonald's USA announced that our companies jointly decided to terminate the Business Relationship Agreement effective July 2, 2025, resulting in the reduction of approximately 2,400 DFD Doors in the third quarter of fiscal 2025. Although our two companies partnered to support execution, marketing, and training, our efforts to bring operating costs in line with unit demand were unsuccessful, making the partnership unsustainable for us. We are quickly removing our costs related to the McDonald's USA partnership which we expect will begin positively impacting profitability trends for our U.S. segment starting in the third quarter of fiscal 2025. 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 further information.

***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 four new countries in fiscal 2025, and opened our first franchise shop in Brazil during the second quarter. We expect to have further announcements throughout the year as we grow our global business. We also continue to evaluate opportunities to refranchise certain equity markets in accordance with our capital-light franchising strategy.

***Digital, Brand, and Innovation***

We continue to prioritize expanding our digital channel sales. Growth in our digital channel is due to improvements in our branded digital platform as well as increasing product availability through third party platforms. Innovation is also 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 2025, we delivered the joy that is Krispy Kreme by spotlighting our core offerings such as the Original Glazed doughnut, supplemented by specialty doughnut offerings and seasonal activations, including PAC-MAN, Mother's Day, and Easter, among many others around the world.




***2024 Cybersecurity Incident***

As previously disclosed, during the fourth quarter of fiscal 2024, unauthorized activity on a portion of our information technology systems resulted in our experiencing certain operational disruptions, including with online ordering in parts of the U.S. (the "2024 Cybersecurity Incident"). The investigation of the 2024 Cybersecurity Incident was substantially completed in the second quarter of fiscal 2025. As previously disclosed, our online ordering, retail shops, and core business functions are now fully operational. We hold cybersecurity insurance that is expected to offset a portion of the losses and costs from the incident that we experienced primarily in the fourth quarter of fiscal 2024 and early in the first quarter of fiscal 2025.

***Geopolitical Uncertainty and Tariffs***

Recent actions by the U.S., including the imposition of significant tariffs on imports from certain countries, have heightened uncertainty in the global trade environment. These tariffs, along with potential retaliatory measures by other countries, may increase inflationary pressure and raise the costs of our imported commodities, including, but not limited to, vegetable oil. Additionally, the broader implications of tariff-driven price increases could influence consumer spending habits and negatively affect our business. While several tariff announcements have been followed by announcements of limited exemptions and temporary pauses, these actions have caused substantial uncertainty and volatility in financial markets, and may result in further retaliatory measures. We may be unable to fully offset the impacts of tariffs by adjusting the pricing of our products.

***Goodwill and Other Asset Impairments***

We assess goodwill for impairment at least annually during the fourth quarter and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. During the second quarter of fiscal 2025, we identified events and conditions that required a quantitative assessment of goodwill, as well as other long-lived fixed assets and leases. 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 further information.

### 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 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 (through the date of the Insomnia Cookies deconsolidation in fiscal 2024), and other points at which fresh doughnuts can be purchased, 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 2025, the second quarter of fiscal 2024, and fiscal 2024, respectively:

| | Global Points of Access | | |
|---|---|---|---|
| | Quarter Ended | | Fiscal Year Ended |
| | June 29, 2025 | June 30, 2024 | December 29, 2024 |
| ***U.S.:*** | | | |
| Hot Light Theater Shops | 239 | 229 | 237 |
| Fresh Shops | 68 | 70 | 70 |
| Cookie Bakeries [1] | — | 286 | — |
| DFD Doors [2] | 9,869 | 7,497 | 9,644 |
| **Total** | **10,176** | **8,082** | **9,951** |
| ***International:*** | | | |
| Hot Light Theater Shops | 50 | 46 | 49 |
| Fresh Shops | 524 | 502 | 519 |
| Carts, Food Trucks, and Other [3] | 17 | 18 | 17 |
| DFD Doors | 4,669 | 4,871 | 4,583 |
| **Total** | **5,260** | **5,437** | **5,168** |
| ***Market Development:*** | | | |
| Hot Light Theater Shops | 110 | 117 | 108 |
| Fresh Shops | 1,111 | 1,033 | 1,095 |
| Carts, Food Trucks, and Other [3] | 30 | 30 | 30 |
| DFD Doors | 1,426 | 1,154 | 1,205 |
| **Total** | **2,677** | **2,334** | **2,438** |
| **Total Global Points of Access (as defined)** | **18,113** | **15,853** | **17,557** |
| Total Hot Light Theater Shops | 399 | 392 | 394 |
| Total Fresh Shops | 1,703 | 1,605 | 1,684 |
| Total Cookie Bakeries [1] | — | 286 | — |
| **Total Shops** | **2,102** | **2,283** | **2,078** |
| **Total Carts, Food Trucks, and Other** | **47** | **48** | **47** |
| **Total DFD Doors [2]** | **15,964** | **13,522** | **15,432** |
| **Total Global Points of Access (as defined)** | **18,113** | **15,853** | **17,557** |

(1) Reflects the deconsolidation of Insomnia Cookies during fiscal 2024.

(2) Includes approximately 2,400 McDonald's USA DFD Doors as of June 29, 2025, which were exited in the third quarter of fiscal 2025 due to termination of the Business Relationship Agreement with McDonald's USA.

(3) 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 and train stations.

As of June 29, 2025, we had 18,113 Global Points of Access, with 2,102 Krispy Kreme branded shops, 47 Carts and Food Trucks, and 15,964 DFD Doors. During the second quarter of fiscal 2025, we added a net 19 additional Krispy Kreme branded Doughnut Shops globally, in countries such as Brazil, Canada, and France, among many others.

We also utilize "Hubs" as a key performance indicator. We have an omni-channel strategy to reach more consumers where they are and drive sustainable, profitable 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, designed to ensure quality and freshness. During the second quarter of fiscal 2025, we continued to outsource some of our U.S. DFD deliveries to 3PL carriers, and expect to outsource deliveries in additional U.S. locations to additional 3PL carriers through the middle of fiscal 2026. 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 2025, the second quarter of fiscal 2024, and fiscal 2024, respectively:

| | Hubs | | |
|---|---|---|---|
| | Quarter Ended | | Fiscal Year Ended |
| | June 29, 2025 | June 30, 2024 | December 29, 2024 |
| ***U.S.:*** | | | |
| Hot Light Theater Shops [1] | 235 | 222 | 232 |
| Doughnut Factories | 6 | 5 | 6 |
| **Total** | **241** | **227** | **238** |
| Hubs with Spokes | 161 | 151 | 158 |
| Hubs without Spokes | 80 | 76 | 80 |
| ***International:*** | | | |
| Hot Light Theater Shops [1] | 41 | 37 | 40 |
| Doughnut Factories | 14 | 14 | 14 |
| **Total** | **55** | **51** | **54** |
| Hubs with Spokes | 55 | 51 | 54 |
| ***Market Development:*** | | | |
| Hot Light Theater Shops [1] | 108 | 115 | 106 |
| Doughnut Factories | 26 | 26 | 27 |
| **Total** | **134** | **141** | **133** |
| **Total Hubs** | **430** | **419** | **425** |

(1) 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, Sales per Hub, adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Adjusted EBIT, Adjusted Net (Loss)/Income, Diluted, and Adjusted EPS as we believe these non-GAAP measures are useful in evaluating our operating performance.

Non-GAAP financial measures are not standardized and it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names, 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 or a substitute for results reported under GAAP. In order to facilitate a clear understanding of our consolidated historical operating results, we urge you to review 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 and not to rely on any single financial measure.

*Organic Revenue (Decline)/Growth*

Organic revenue (decline)/growth measures our revenue growth trends excluding the impact of acquisitions, divestitures, 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 (decline)/growth" as the (decline)/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, (iv) the impact of the divestiture of a controlling interest in Insomnia Cookies, and (v) revenues generated during the 53rd week for those fiscal years that have a 53rd 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 (decline)/growth calculations for the periods presented.

*Adjusted EBITDA, Adjusted EBIT, Adjusted Net (Loss)/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 certain other 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. "Adjusted EBITDA margin" reflects Adjusted EBITDA as a percentage of net revenues.

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

Adjusted EBITDA, Adjusted EBIT, Adjusted Net (Loss)/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 these non-GAAP measures 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 these non-GAAP measures supplementally.

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

| | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| ***(in thousands)*** | **June 29, 2025** | **June 30, 2024** | **June 29, 2025** | **June 30, 2024** |
| **Net loss** | **$ (441,118)** | **$ (4,931)** | **$ (474,523)** | **$ (11,594)** |
| Interest expense, net | 16,696 | 14,452 | 32,892 | 28,188 |
| Income tax (benefit)/expense | (20,453) | (3,611) | (23,120) | 651 |
| Share-based compensation | 4,634 | 7,648 | 7,237 | 14,634 |
| Employer payroll taxes related to share-based compensation | 91 | 207 | 257 | 250 |
| Loss on divestiture of Insomnia Cookies | 11,501 | — | 11,501 | — |
| Goodwill impairment | 355,958 | — | 355,958 | — |
| Other non-operating (income)/expense, net [1] | (1,177) | 949 | (1,570) | 1,522 |
| Strategic initiatives [2] | 22,867 | 4,187 | 25,220 | 9,008 |
| Acquisition and integration expenses [3] | (182) | 851 | (111) | 1,099 |
| New market penetration expenses [4] | 245 | 572 | 320 | 1,038 |
| Shop closure expenses, net [5] | 35,723 | 628 | 35,995 | 767 |
| Restructuring and severance expenses [6] | 4,839 | 132 | 4,947 | 138 |
| Gain on sale-leaseback | (6,749) | — | (6,749) | — |
| Other [7] | 1,454 | (958) | 6,154 | (973) |
| Amortization of acquisition related intangibles [8] | 7,830 | 7,397 | 15,491 | 14,817 |
| **Adjusted EBIT** | **$ (7,841)** | **$ 27,523** | **$ (10,101)** | **$ 59,545** |
| Depreciation expense and amortization of right of use assets | 27,952 | 27,203 | 54,192 | 53,369 |
| **Adjusted EBITDA** | **$ 20,111** | **$ 54,726** | **$ 44,091** | **$ 112,914** |

| *(in thousands, except per share amounts)* | Quarter Ended | | Two Quarters Ended | |
|---|---|---|---|---|
| | June 29, 2025 | June 30, 2024 | June 29, 2025 | June 30, 2024 |
| **Net loss** | **$ (441,118)** | **$ (4,931)** | **$ (474,523)** | **$ (11,594)** |
| Share-based compensation | 4,634 | 7,648 | 7,237 | 14,634 |
| Employer payroll taxes related to share-based compensation | 91 | 207 | 257 | 250 |
| Loss on divestiture of Insomnia Cookies | 11,501 | — | 11,501 | — |
| Goodwill impairment | 355,958 | — | 355,958 | — |
| Other non-operating (income)/expense, net [1] | (1,177) | 949 | (1,570) | 1,522 |
| Strategic initiatives [2] | 22,867 | 4,187 | 25,220 | 9,008 |
| Acquisition and integration expenses [3] | (182) | 851 | (111) | 1,099 |
| New market penetration expenses [4] | 245 | 572 | 320 | 1,038 |
| Shop closure expenses, net [5] | 35,723 | 628 | 35,995 | 767 |
| Restructuring and severance expenses [6] | 4,839 | 132 | 4,947 | 138 |
| Gain on sale-leaseback | (6,749) | — | (6,749) | — |
| Other [7] | 1,454 | (958) | 6,154 | (973) |
| Amortization of acquisition related intangibles [8] | 7,830 | 7,397 | 15,491 | 14,817 |
| Tax impact of adjustments [9] | (27,081) | (6,777) | (20,251) | (7,001) |
| Tax specific adjustments [10] | — | (226) | — | (815) |
| Net loss/(income) attributable to noncontrolling interest | 5,858 | (560) | 5,979 | (2,431) |
| **Adjusted net (loss)/income attributable to common shareholders - Basic** | **$ (25,307)** | **$ 9,119** | **$ (34,145)** | **$ 20,459** |
| Additional income attributed to noncontrolling interest due to subsidiary potential common shares | — | (11) | — | (30) |
| **Adjusted net (loss)/income attributable to common shareholders - Diluted** | **$ (25,307)** | **$ 9,108** | **$ (34,145)** | **$ 20,429** |
| Basic weighted average common shares outstanding | 170,802 | 169,095 | 170,546 | 168,890 |
| Dilutive effect of outstanding common stock options, RSUs, and PSUs | — | 2,397 | — | 2,442 |
| **Diluted weighted average common shares outstanding** | **170,802** | **171,492** | **170,546** | **171,332** |
| **Adjusted net (loss)/income per share attributable to common shareholders:** | | | | |
| Basic | $ (0.15) | $ 0.05 | $ (0.20) | $ 0.12 |
| Diluted | $ (0.15) | $ 0.05 | $ (0.20) | $ 0.12 |

(1) Primarily foreign translation gains and losses in each period. The quarter and two quarters ended June 29, 2025 also consist of equity method income from Insomnia Cookies following the divestiture of a controlling interest in Insomnia Cookies during fiscal 2024.

(2) The quarter and two quarters ended June 29, 2025 consist primarily of costs associated with the U.S. national expansion, including exit costs associated with termination of the Business Relationship Agreement with McDonald's USA, and the evaluation of potential opportunities to refranchise certain equity markets. 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 U.S. national expansion (including McDonald's USA).

(3) 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.

(4) Consists of start-up costs associated with entry into new countries for which the Company's brands have not previously operated, including Brazil and Spain.

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

(6) The quarter and two quarters ended June 29, 2025 consist primarily of costs associated with restructuring of the U.S. and U.K. businesses.

(7) The quarter and two quarters ended June 29, 2025 consist primarily of $0.9 million and $5.3 million, respectively, in costs related to remediation of the 2024 Cybersecurity Incident, including fees for cybersecurity experts and other advisors. 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.

(8) Consists of amortization related to acquired intangible assets as reflected within depreciation and amortization in the Condensed Consolidated Statements of Operations.
(9) Tax impact of adjustments calculated applying the applicable statutory rates. The quarters and two quarters ended June 29, 2025 and June 30, 2024 also include the impact of disallowed executive compensation expense.
(10) 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.

*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 for the period. Fresh Revenues include product sales generated from our Doughnut Shop business (including digital channels), as well as DFD sales, but exclude all Insomnia Cookies revenues as the measure is focused on the Krispy Kreme business. The average number of Hubs 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:

| *(in thousands, unless otherwise stated)* | Trailing Four Quarters Ended June 29, 2025 | Fiscal Year Ended December 29, 2024 | Fiscal Year Ended December 31, 2023 |
|---|---|---|---|
| ***U.S.:*** | | | |
| Revenues | $ 940,140 | $ 1,058,736 | $ 1,104,944 |
| Non-Fresh Revenues (1) | (2,877) | (3,161) | (9,416) |
| Fresh Revenues from Insomnia Cookies and Hubs without Spokes (2) | (180,139) | (307,665) | (399,061) |
| **Fresh Revenues from Hubs with Spokes** | **757,124** | **747,910** | **696,467** |
| **Sales per Hub (millions)** | **4.9** | **4.9** | **4.9** |
| | | | |
| ***International:*** | | | |
| **Fresh Revenues from Hubs with Spokes (3)** | **$ 521,473** | **$ 519,102** | **$ 489,631** |
| **Sales per Hub (millions) (4)** | **9.8** | **9.9** | **9.7** |

(1) Includes the exited Branded Sweet Treats business revenues as well as licensing royalties from customers for use of the Krispy Kreme brand.
(2) Includes Insomnia Cookies revenues (through the date of deconsolidation) 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, we had Sales per Hub of $9.8 million during the trailing four quarters ended June 29, 2025, largely consistent with the $9.9 million generated in the full fiscal year 2024 and the $9.7 million generated in the full fiscal year 2023. 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 $4.9 million during the trailing four quarters ended June 29, 2025, consistent with the $4.9 million generated in the full fiscal year 2024 and the full fiscal year 2023. In the U.S. we continue our efforts to increase the number of quality Spokes served by our Hubs as we work towards optimizing the segment in line with our International segment. We expect to increase the number of quality Spokes through growth with DFD partners across the U.S. coupled with strategic closure of underperforming DFD Doors.

## 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 29, 2025 compared to the Quarter ended June 30, 2024*

The following table presents our unaudited condensed consolidated results of operations for the quarter ended June 29, 2025 and the quarter ended June 30, 2024:

| | Quarter Ended | | | | | |
|---|---|---|---|---|---|---|
| | June 29, 2025 | | June 30, 2024 | | Change | |
| *(in thousands, except percentages)* | Amount | % of Revenue | Amount | % of Revenue | $ | % |
| **Net revenues** | | | | | | |
| Product sales | $ 371,377 | 97.8 % | $ 429,411 | 97.9 % | $ (58,034) | -13.5 % |
| Royalties and other revenues | 8,390 | 2.2 % | 9,398 | 2.1 % | (1,008) | -10.7 % |
| **Total net revenues** | **379,767** | **100.0 %** | **438,809** | **100.0 %** | **(59,042)** | **-13.5 %** |
| Product and distribution costs | 92,627 | 24.4 % | 107,846 | 24.6 % | (15,219) | -14.1 % |
| Operating expenses | 210,712 | 55.5 % | 212,504 | 48.4 % | (1,792) | -0.8 % |
| Selling, general and administrative expense | 62,920 | 16.6 % | 64,466 | 14.7 % | (1,546) | -2.4 % |
| Marketing expenses | 12,185 | 3.2 % | 12,416 | 2.8 % | (231) | -1.9 % |
| Pre-opening costs | 1,471 | 0.4 % | 967 | 0.2 % | 504 | 52.1 % |
| Goodwill and other asset impairments | 406,932 | 107.2 % | 201 | — % | 406,731 | nm |
| Other income, net | (8,311) | -2.2 % | (1,050) | -0.2 % | (7,261) | -691.5 % |
| Depreciation and amortization expense | 35,782 | 9.4 % | 34,600 | 7.9 % | 1,182 | 3.4 % |
| **Operating (loss)/income** | **(434,551)** | **-114.4 %** | **6,859** | **1.6 %** | **(441,410)** | **nm** |
| Interest expense, net | 16,696 | 4.4 % | 14,452 | 3.3 % | 2,244 | 15.5 % |
| Loss on divestiture of Insomnia Cookies | 11,501 | 3.0 % | — | — % | 11,501 | nm |
| Other non-operating (income)/expense, net | (1,177) | -0.3 % | 949 | 0.2 % | (2,126) | -224.0 % |
| **Loss before income taxes** | **(461,571)** | **-121.5 %** | **(8,542)** | **-1.9 %** | **(453,029)** | **nm** |
| Income tax benefit | (20,453) | -5.4 % | (3,611) | -0.8 % | (16,842) | -466.4 % |
| **Net loss** | **(441,118)** | **-116.2 %** | **(4,931)** | **-1.1 %** | **(436,187)** | **nm** |
| Net (loss)/income attributable to noncontrolling interest | (5,858) | -1.5 % | 560 | 0.1 % | (6,418) | nm |
| **Net loss attributable to Krispy Kreme, Inc.** | **$ (435,260)** | **-114.6 %** | **$ (5,491)** | **-1.3 %** | **$ (429,769)** | **nm** |

The following table presents a further breakdown of total net revenue and organic revenue growth by segment for the quarter ended June 29, 2025 compared to the quarter ended June 30, 2024:

| *(in thousands, except percentages)* | U.S. | International | Market Development | Total Company |
|---|---|---|---|---|
| Total net revenues in second quarter of fiscal 2025 | $ 230,099 | $ 132,755 | $ 16,913 | $ 379,767 |
| Total net revenues in second quarter of fiscal 2024 | 289,304 | 125,269 | 24,236 | 438,809 |
| **Total Net Revenues (Decline)/Growth** | **(59,205)** | **7,486** | **(7,323)** | **(59,042)** |
| **Total Net Revenues (Decline)/Growth %** | **-20.5 %** | **6.0 %** | **-30.2 %** | **-13.5 %** |
| Less: Impact of Insomnia Cookies divestiture | (64,166) | — | — | (64,166) |
| Adjusted net revenues in second quarter of fiscal 2024 | 225,138 | 125,269 | 24,236 | 374,643 |
| **Adjusted net revenue growth/(decline)** | **4,961** | **7,486** | **(7,323)** | **5,124** |
| Impact of acquisitions | (11,877) | (1,503) | 3,880 | (9,500) |
| Impact of foreign currency translation | — | 1,441 | — | 1,441 |
| **Organic Revenue (Decline)/Growth** | **$ (6,916)** | **$ 7,424** | **$ (3,443)** | **$ (2,935)** |
| **Organic Revenue (Decline)/Growth %** | **-3.1 %** | **5.9 %** | **-14.2 %** | **-0.8 %** |

Total net revenue declined $59.0 million, or approximately 13.5%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025, primarily due to the $64.2 million reduction associated with the divestiture of a controlling interest in Insomnia Cookies in the third quarter of fiscal 2024. Organic revenue declined $2.9 million, or approximately 0.8%, primarily driven by lower Doughnut Shop transaction volume driven by consumer softness in a challenging macroeconomic environment. The organic revenue decline was partially offset by Global Points of Access growth of 2,260, or 14.3%, and increased pricing of approximately 4% (primarily driven by our planned reduced discounting).

Our U.S. segment net revenue declined $59.2 million, or approximately 20.5%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025, primarily due to the $64.2 million reduction associated with the divestiture of a controlling interest in Insomnia Cookies in the third quarter of fiscal 2024. U.S. organic revenue declined $6.9 million, or approximately 3.1%, primarily driven by lower Doughnut Shop transaction volume driven by consumer softness in a challenging macroeconomic environment and the strategic closure of underperforming DFD Doors. The organic revenue decline was partially offset by Points of Access growth of 2,094, or 25.9%, and increased pricing of approximately 6% (primarily driven by our planned reduced discounting).

Our International segment net revenue increased $7.5 million, or approximately 6.0%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025. International organic revenue grew $7.4 million, or approximately 5.9%, driven primarily by growth in Canada, Japan, and Mexico. The organic revenue growth was partially offset by Points of Access decline of 177, or 3.3% due to strategic DFD Door closures in Japan and Mexico.

Our Market Development segment net revenue declined $7.3 million, or approximately 30.2%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025, partially due to the $3.9 million impact of franchise acquisitions in fiscal 2024 (the results of acquired franchise businesses are reported within the Market Development segment prior to the respective dates of acquisition, and are reported within the U.S. or International segments, as applicable, following the respective dates of acquisition). Market Development organic revenue declined $3.4 million, or approximately 14.2%, as expansion of our international franchise business in new markets such as Brazil was more than offset by timing of shipments of mix and equipment to franchisees.

*Operating expenses:* Operating expenses decreased $1.8 million, or 0.8%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025, driven mainly by a $31.8 million decrease resulting from the divestiture of a controlling interest in Insomnia Cookies that was partially offset by an increase of $30.0 million in operating expenses for the global Krispy Kreme brand primarily due to higher shop and delivery labor expenses, including logistics costs. Operating expenses as a percentage of revenue increased by approximately 710 basis points, from 48.4% in the second quarter of fiscal 2024 to 55.5% in the second quarter of fiscal 2025, primarily due to the impact of lower transaction volumes on operating leverage and operating costs associated with our now-ended McDonald's USA partnership.

*Selling, general and administrative expense:* Selling, general and administrative ("SG&A") expense decreased $1.5 million, or 2.4%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025, driven mainly by a $11.1 million impact from the divestiture of a controlling interest in Insomnia Cookies. As a percentage of revenue, SG&A expense increased approximately 190 basis points, from 14.7% in the second quarter of fiscal 2024 to 16.6% in the second quarter of fiscal 2025, primarily driven by lower revenue and higher employee costs, including global support center restructuring charges in the second quarter of fiscal 2025.

*Goodwill and other asset impairments:* For discussion of the $406.9 million non-cash goodwill and other asset impairments in the second quarter of fiscal 2025, 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.

*Other income, net:* Other income, net of $8.3 million in the second quarter of fiscal 2025 was primarily related to gains on sale-leaseback transactions described 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. Other income, net of $1.1 million in the second quarter of fiscal 2024 was primarily driven by business interruption insurance recoveries.

*Depreciation and amortization expense:* Depreciation and amortization expense increased $1.2 million, or 3.4%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025. As a percentage of revenue, depreciation and amortization expense increased approximately 150 basis points, from 7.9% in the second quarter of fiscal 2024 to 9.4% in the second quarter of fiscal 2025, primarily driven by higher finance lease amortization expense and increased depreciation associated with capital assets placed into service to support our U.S. national expansion, including the McDonald's USA rollout. We recorded long-lived asset and lease impairment charges during the second quarter of fiscal 2025, a portion of which related to assets supporting the U.S. national expansion, including the McDonald's USA rollout, which we expect to impact the future rate of depreciation expense for these assets.

*Interest expense, net:* Interest expense, net increased $2.2 million, or 15.5%, from the second quarter of fiscal 2024 to the second quarter of fiscal 2025, primarily driven by higher finance lease interest expense and a higher average debt balance.

*Loss on divestiture of Insomnia Cookies:* In the second quarter of fiscal 2025, we sold the remainder of our ownership interest in Insomnia Cookies for cash proceeds. Insomnia Cookies was previously accounted for using the equity method, and we recognized a loss on divestiture of $11.5 million (gross of income taxes). Refer to Note 2, Acquisitions and Divestitures to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q for further information.

*Income tax benefit:* In the second quarter of fiscal 2025, we recorded an income tax benefit of $20.5 million compared to an income tax benefit of $3.6 million in the second quarter of fiscal 2024. The variance was primarily driven by lower pre-tax results in the second quarter of fiscal 2025, offset by the tax effect of nondeductible goodwill impairment charges.

***Results of Operations by Segment – Quarter ended June 29, 2025 compared to the Quarter ended June 30, 2024***

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

| | Quarter Ended | | Change | |
|---|---|---|---|---|
| *(in thousands, except percentages)* | June 29, 2025 | June 30, 2024 | $ | % |
| **Adjusted EBITDA** | | | | |
| U.S. | $ 9,930 | $ 32,668 | $ (22,738) | -69.6 % |
| International | 18,221 | 21,655 | (3,434) | -15.9 % |
| Market Development | 8,948 | 12,875 | (3,927) | -30.5 % |
| Corporate | (16,988) | (12,472) | (4,516) | -36.2 % |
| **Total Adjusted EBITDA** [1] | **$ 20,111** | **$ 54,726** | **$ (34,615)** | **-63.3 %** |

(1) Refer to "Key Performance Indicators and Non-GAAP Measures" above for a reconciliation of Adjusted EBITDA to net loss.

U.S. segment Adjusted EBITDA decreased $22.7 million, or 69.6%, with $7.2 million of the reduction associated with the divestiture of a controlling interest in Insomnia Cookies in the third quarter of fiscal 2024. The margin decline of 700 basis points to 4.3% in the second quarter of fiscal 2025 compared to the second quarter of fiscal 2024 was primarily driven by an estimated $7 million to $9 million adverse impact associated with our now-ended McDonald's USA partnership and by lower transaction volumes impacting operating leverage.

International segment Adjusted EBITDA decreased $3.4 million, or 15.9%, with margin decline of 360 basis points to 13.7% in the second quarter of fiscal 2025 compared to the second quarter of fiscal 2024, as lower transaction volumes continued to impact operating leverage for the International equity markets, particularly the U.K.

Market Development segment Adjusted EBITDA decreased $3.9 million, or 30.5%, impacted by timing of shipments of mix and equipment to franchisees in certain markets. The margin of 52.9% in the second quarter of fiscal 2025 was relatively consistent with the second quarter of fiscal 2024.

***Two Quarters ended June 29, 2025 compared to the Two Quarters ended June 30, 2024***

The following table presents our unaudited condensed consolidated results of operations for the two quarters ended June 29, 2025 and the two quarters ended June 30, 2024:

| | Two Quarters Ended | | | | | |
|---|---|---|---|---|---|---|
| | June 29, 2025 | | June 30, 2024 | | Change | |
| *(in thousands, except percentages)* | Amount | % of Revenue | Amount | % of Revenue | $ | % |
| **Net revenues** | | | | | | |
| Product sales | $ 737,856 | 97.7 % | $ 862,923 | 97.9 % | $ (125,067) | -14.5 % |
| Royalties and other revenues | 17,095 | 2.3 % | 18,584 | 2.1 % | (1,489) | -8.0 % |
| **Total net revenues** | **754,951** | **100.0 %** | **881,507** | **100.0 %** | **(126,556)** | **-14.4 %** |
| Product and distribution costs | 183,363 | 24.3 % | 214,861 | 24.4 % | (31,498) | -14.7 % |
| Operating expenses | 409,555 | 54.2 % | 417,699 | 47.4 % | (8,144) | -1.9 % |
| Selling, general and administrative expense | 122,325 | 16.2 % | 136,040 | 15.4 % | (13,715) | -10.1 % |
| Marketing expenses | 22,424 | 3.0 % | 24,531 | 2.8 % | (2,107) | -8.6 % |
| Pre-opening costs | 2,400 | 0.3 % | 2,072 | 0.2 % | 328 | 15.8 % |
| Goodwill and other asset impairments | 407,094 | 53.9 % | 448 | 0.1 % | 406,646 | nm |
| Other income, net | (7,073) | -0.9 % | (1,097) | -0.1 % | (5,976) | -544.8 % |
| Depreciation and amortization expense | 69,683 | 9.2 % | 68,186 | 7.7 % | 1,497 | 2.2 % |
| **Operating (loss)/income** | **(454,820)** | **-60.2 %** | **18,767** | **2.1 %** | **(473,587)** | **nm** |
| Interest expense, net | 32,892 | 4.4 % | 28,188 | 3.2 % | 4,704 | 16.7 % |
| Loss on divestiture of Insomnia Cookies | 11,501 | 1.5 % | — | — % | 11,501 | nm |
| Other non-operating (income)/expense, net | (1,570) | -0.2 % | 1,522 | 0.2 % | (3,092) | -203.2 % |
| **Loss before income taxes** | **(497,643)** | **-65.9 %** | **(10,943)** | **-1.2 %** | **(486,700)** | **nm** |
| Income tax (benefit)/expense | (23,120) | -3.1 % | 651 | 0.1 % | (23,771) | nm |
| **Net loss** | **(474,523)** | **-62.9 %** | **(11,594)** | **-1.3 %** | **(462,929)** | **nm** |
| Net (loss)/income attributable to noncontrolling interest | (5,979) | -0.8 % | 2,431 | 0.3 % | (8,410) | -345.9 % |
| **Net loss attributable to Krispy Kreme, Inc.** | **$ (468,544)** | **-62.1 %** | **$ (14,025)** | **-1.6 %** | **$ (454,519)** | **nm** |

The following table presents a further breakdown of total net revenue and organic revenue growth by segment for the two quarters ended June 29, 2025 compared to the two quarters ended June 30, 2024:

| *(in thousands, except percentages)* | U.S. | International | Market Development | Total Company |
|---|---|---|---|---|
| Total net revenues in first two quarters of fiscal 2025 | $ 466,643 | $ 252,390 | $ 35,918 | $ 754,951 |
| Total net revenues in first two quarters of fiscal 2024 | 585,239 | 250,019 | 46,249 | 881,507 |
| **Total Net Revenues (Decline)/Growth** | **(118,596)** | **2,371** | **(10,331)** | **(126,556)** |
| **Total Net Revenues (Decline)/Growth %** | **-20.3 %** | **0.9 %** | **-22.3 %** | **-14.4 %** |
| Less: Impact of Insomnia Cookies divestiture | (128,485) | — | — | (128,485) |
| Adjusted net revenues in first two quarters of fiscal 2024 | 456,754 | 250,019 | 46,249 | 753,022 |
| **Adjusted net revenue growth/(decline)** | **9,889** | **2,371** | **(10,331)** | **1,929** |
| Impact of acquisitions | (22,920) | (2,868) | 7,478 | (18,310) |
| Impact of foreign currency translation | — | 9,800 | — | 9,800 |
| **Organic Revenue (Decline)/Growth** | **$ (13,031)** | **$ 9,303** | **$ (2,853)** | **$ (6,581)** |
| **Organic Revenue (Decline)/Growth %** | **-2.9 %** | **3.7 %** | **-6.2 %** | **-0.9 %** |

Total net revenue declined $126.6 million, or approximately 14.4%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025, primarily due to the $128.5 million reduction associated with the divestiture of a controlling interest in Insomnia Cookies in the third quarter of fiscal 2024. Organic revenue declined $6.6 million, or approximately 0.9%, primarily driven by lower Doughnut Shop transaction volume driven by consumer softness in a challenging macroeconomic environment. The organic revenue decline was partially offset by Global Points of Access growth of 2,260, or 14.3%, and increased pricing of approximately 2% (primarily driven by our planned reduced discounting).

Our U.S. segment net revenue declined $118.6 million, or approximately 20.3%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025, primarily due to the $128.5 million reduction associated with the divestiture of a controlling interest in Insomnia Cookies in the third quarter of fiscal 2024. U.S. organic revenue declined $13.0 million, or approximately 2.9%, primarily driven by lower Doughnut Shop transaction volume driven by consumer softness in a challenging macroeconomic environment and the strategic closure of underperforming DFD Doors. The organic revenue decline was partially offset by Points of Access growth of 2,094, or 25.9%, and increased pricing of approximately 4% (primarily driven by our planned reduced discounting).

Our International segment net revenue grew $2.4 million, or approximately 0.9%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025, in spite of adverse foreign currency translation impacts of $9.8 million. International organic revenue grew $9.3 million, or approximately 3.7%, driven primarily by growth in Canada, Japan, and Mexico. The organic revenue growth was partially offset by lower transaction volume in the U.K.

Our Market Development segment net revenue declined $10.3 million, or approximately 22.3%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025, primarily due to the $7.5 million impact of franchise acquisitions in fiscal 2024. Market Development organic revenue declined $2.9 million, or approximately 6.2%, as expansion of our international franchise business in new markets such as Brazil was more than offset by timing of shipments of mix and equipment to franchisees.

*Operating expenses:* Operating expenses decreased $8.1 million, or 1.9%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025, driven mainly by a $61.3 million decrease resulting from the divestiture of a controlling interest in Insomnia Cookies that was partially offset by an increase of $53.1 million in operating expenses for the global Krispy Kreme brand primarily due to higher shop and delivery labor expenses, including logistics costs. Operating expenses as a percentage of revenue increased approximately 680 basis points, from 47.4% in the first two quarters of fiscal 2024 to 54.2% in the first two quarters of fiscal 2025, primarily due to the impact of lower transaction volumes on operating leverage, operating costs associated with our now-ended McDonald's USA partnership, and an estimated $5 million related to the 2024 Cybersecurity Incident, primarily related to operational inefficiencies.

*Selling, general and administrative expense:* SG&A expense decreased $13.7 million, or 10.1%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025, driven mainly by a $21.3 million impact from the divestiture of a controlling interest in Insomnia Cookies. As a percentage of revenue, SG&A expense increased approximately 80 basis points, from 15.4% in the first two quarters of fiscal 2024 to 16.2% in the first two quarters of fiscal 2025, primarily driven by lower revenue and $5.3 million in costs related to remediation of the 2024 Cybersecurity Incident, including fees for cybersecurity experts and other advisors.

*Goodwill and other asset impairments:* For discussion of the $407.1 million non-cash goodwill and other asset impairments in the first two quarters of fiscal 2025, 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.

*Other income, net:* Other income, net of $7.1 million in the first two quarters of fiscal 2025 was primarily related to gains on sale-leaseback transactions described 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. Other income, net of $1.1 million in the first two quarters of fiscal 2024 was primarily driven by business interruption insurance recoveries.

*Depreciation and amortization expense:* Depreciation and amortization expense increased $1.5 million, or 2.2%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025. As a percentage of revenue, depreciation and amortization expense increased approximately 150 basis points, from 7.7% in the first two quarters of fiscal 2024 to 9.2% in the first two quarters of fiscal 2025, primarily driven by higher finance lease amortization expense and increased depreciation associated with capital assets placed into service to support our U.S. national expansion, including the McDonald's USA rollout. We recorded long-lived asset and lease impairment charges during the second quarter of fiscal 2025, a portion of which related to assets supporting the U.S. national expansion, including the McDonald's USA rollout, which we expect to impact the future rate of depreciation expense for these assets.

*Interest expense, net:* Interest expense, net increased $4.7 million, or 16.7%, from the first two quarters of fiscal 2024 to the first two quarters of fiscal 2025 primarily driven by higher finance lease interest expense and a higher average debt balance.

*Loss on divestiture of Insomnia Cookies:* In the second quarter of fiscal 2025, we sold the remainder of our ownership interest in Insomnia Cookies for cash proceeds. Insomnia Cookies was previously accounted for using the equity method, and we recognized a loss on divestiture of $11.5 million (gross of income taxes). Refer to Note 2, Acquisitions and Divestitures to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q for further information.

*Income tax (benefit)/expense:* Income tax benefit was $23.1 million in the first two quarters of fiscal 2025, while income tax expense was $0.7 million in the first two quarters of fiscal 2024. The variance was primarily driven by lower pre-tax results in the first two quarters of fiscal 2025, offset by the tax effect of nondeductible goodwill impairment charges.

***Results of Operations by Segment – Two Quarters ended June 29, 2025 compared to the Two Quarters ended June 30, 2024***

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

| | Two Quarters Ended | | Change | |
|---|---|---|---|---|
| ***(in thousands, except percentages)*** | **June 29, 2025** | **June 30, 2024** | **$** | **%** |
| U.S. | $ 25,841 | $ 75,284 | $ (49,443) | -65.7 % |
| International | 33,118 | 42,191 | (9,073) | -21.5 % |
| Market Development | 19,995 | 24,775 | (4,780) | -19.3 % |
| Corporate | (34,863) | (29,336) | (5,527) | -18.8 % |
| **Total Adjusted EBITDA** [1] | **$ 44,091** | **$ 112,914** | **$ (68,823)** | **-61.0 %** |

(1) Refer to "Key Performance Indicators and Non-GAAP Measures" above for a reconciliation of Adjusted EBITDA to net income.

U.S. segment Adjusted EBITDA decreased $49.4 million, or 65.7%, with $14.9 million of the reduction associated with the divestiture of a controlling interest in Insomnia Cookies in the third quarter of fiscal 2024. The margin decline of 740 basis points to 5.5% in the first two quarters of fiscal 2025 compared to the first two quarters of fiscal 2024 was primarily driven by an estimated $13 million to $15 million adverse impact associated with our now-ended McDonald's USA partnership, lower transaction volumes impacting operating leverage, and an estimated $5 million related to the 2024 Cybersecurity Incident, primarily related to operational inefficiencies.

International segment Adjusted EBITDA decreased $9.1 million, or 21.5%, with margin decline of 380 basis points to 13.1% in the first two quarters of fiscal 2025 compared to the first two quarters of fiscal 2024, as lower transaction volume continued to impact operating leverage for the International equity markets, particularly the U.K.

Market Development segment Adjusted EBITDA decreased $4.8 million, or 19.3%, with margin expansion of 210 basis points to 55.7% in the first two quarters of fiscal 2025 compared to the first two quarters of fiscal 2024, driven mainly by changes in the revenue mix, including less shipments of lower-margin equipment to franchisees.

## Capital Resources and Liquidity

Our principal sources of liquidity to date have included cash from operating activities, cash on hand, commercial trade financing including our structured payables programs, and proceeds from the divestiture of Insomnia Cookies. 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 29, 2024, we had the following future obligations:

- An aggregate principal amount of $819.5 million outstanding under the 2023 Facility;
- An aggregate principal amount of $5.0 million outstanding under short-term, uncommitted lines of credit;
- Non-cancellable future minimum operating lease payments totaling $664.3 million;
- Non-cancellable future minimum finance lease payments totaling $97.0 million; and
- Purchase commitments under ingredient and other forward purchase contracts of $98.9 million.

As of June 29, 2025, the principal amount outstanding under our 2023 Facility was $861.3 million. The increase from the 2023 Facility balance as of December 29, 2024 was primarily driven by our need for cash to fund business operations, including impacts from the 2024 Cybersecurity Incident and our U.S. national expansion, as well as payments on structured payables associated with our acquisition of the noncontrolling interest in our consolidated subsidiary Awesome Doughnut, LLC ("Awesome Doughnut"). 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.

We had cash and cash equivalents of $21.3 million and $29.0 million as of June 29, 2025 and December 29, 2024, respectively. We believe that our existing cash and cash equivalents and available borrowing capacity under our credit facilities discussed above 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 could vary because of, and our future capital requirements will depend on, many factors, including our growth rate, 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.

### *Dividend Policy*

In order to more closely align our capital allocation priorities with our growth strategy, we no longer expect to pay quarterly cash dividends to holders of our common stock. This represents a change to our dividend policy previously disclosed in Item 5 of Part II of the Company's Annual Report on Form 10-K for the year ended December 29, 2024.

***Cash Flows***

We have historically generated cash from operations and have 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 vendors for the various inputs to 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:

| | Two Quarters Ended | |
|---|---|---|
| ***(in thousands)*** | **June 29, 2025** | **June 30, 2024** |
| Net cash (used for)/provided by operating activities | $ (53,377) | $ 15,525 |
| Net cash provided by/(used for) investing activities | 30,937 | (65,161) |
| Net cash provided by financing activities | 16,248 | 40,245 |

*Operating Activities*

Cash used for operations totaled $53.4 million for the first two quarters of fiscal 2025, a fluctuation of $68.9 million compared with the first two quarters of fiscal 2024, primarily due to less operating income generated in the first two quarters of fiscal 2025, partially offset by the intentional paydown 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) in the first two quarters of fiscal 2024.

*Investing Activities*

Cash provided by investing activities totaled $30.9 million for the first two quarters of fiscal 2025, a fluctuation of $96.1 million compared with the first two quarters of fiscal 2024, primarily due to the divestiture of our remaining ownership interest in Insomnia Cookies for $75.0 million in aggregate cash proceeds (discussed in Note 2, Acquisitions and Divestitures to the Condensed Consolidated Financial Statements included in Item 1 of Part I of this Quarterly Report on Form 10-Q), proceeds from sale-leaseback transactions (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), and the use of less cash for capital expenditures in the first two quarters of fiscal 2025 compared to the first two quarters of fiscal 2024. As part of our turnaround plan, we expect to reduce capital investment by using existing assets and focusing on franchisee development.

*Financing Activities*

Cash provided by financing activities totaled $16.2 million for the first two quarters of fiscal 2025, a decrease of $24.0 million compared with the first two quarters of fiscal 2024, primarily due to draws on our 2023 Facility in the first two quarters of fiscal 2024 used in part to fund the intentional paydown of obligations due under our SCF programs. These draws on the 2023 Facility in the first two quarters of fiscal 2024 exceeded the draws on the 2023 Facility in the first two quarters of fiscal 2025 used to fund business operations, including impacts from the 2024 Cybersecurity Incident and our U.S. national expansion, as well as payments on structured payables associated with our acquisition of the noncontrolling interest in our consolidated subsidiary, Awesome Doughnut.

***Debt***

Our long-term debt obligations consist of the following:

| *(in thousands)* | June 29, 2025 | December 29, 2024 |
|---|---|---|
| 2023 Facility — term loan | $ 763,750 | $ 647,500 |
| 2023 Facility — revolving credit facility | 97,500 | 172,000 |
| Short-term lines of credit | 5,000 | 5,000 |
| Less: Debt issuance costs | (3,574) | (3,322) |
| Finance lease obligations | 94,369 | 79,725 |
| **Total long-term debt** | **957,045** | **900,903** |
| Less: Current portion of long-term debt | (67,603) | (56,356) |
| **Long-term debt, less current portion** | **$ 889,442** | **$ 844,547** |

*2023 Secured Credit Facility*

As of June 29, 2025, the 2023 Facility consisted of a $300.0 million senior secured revolving credit facility and a term loan with an original principal amount of $700.0 million. During the quarter ended June 29, 2025, the Company amended the 2023 Facility to, among other things, establish additional, incremental term loan commitments in an aggregate principal amount of $125.0 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 4.5 to 1.00 as of the end of the second quarter of fiscal 2025 compared to 3.9 to 1.00 as of the end of fiscal 2024.

We were in compliance with the financial covenants related to the 2023 Facility as of June 29, 2025. If we are unable to meet the 2023 Facility financial or other covenants in future periods, it could limit 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 we may be unable to secure on favorable terms or at all, any of which could negatively impact our liquidity.

*Short-Term Lines of Credit*

We are party to two agreements with existing lenders providing for short-term, uncommitted lines of credit up to an aggregate of $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 29, 2024.

**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*

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. These costs are subject to fluctuations due to a number of factors, including, but not limited to, market conditions, economic and geopolitical uncertainty, demand for raw materials, weather, energy costs, currency fluctuations, supplier capacities, governmental actions, import and export requirements (including tariffs), armed hostilities, and other factors beyond our control. During the first two quarters of fiscal 2025, we 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, and increased focus on resiliency of our supply chains. 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 vegetable 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 $550.0 million notional of our $866.3 million of outstanding debt under the 2023 Facility and short-term lines of credit as of June 29, 2025, which we account for as cash flow hedges. The interest rate swap agreements are scheduled to mature in March 2028. Based on the $316.3 million of unhedged outstanding debt as of June 29, 2025, a 100 basis point increase or decrease in the one-month SOFR would result in a $3.2 million increase or decrease, respectively, in interest expense for a 12-month period, based on the daily average of the one-month SOFR for the quarter ended June 29, 2025.

### *Foreign Currency Exchange Rate Risk*

We are exposed to foreign currency exchange rate risk on the operations of our subsidiaries that have functional currencies other than the U.S. dollar, whose revenues accounted for approximately 33% of our total net revenues through the two quarters ended June 29, 2025. A substantial majority of these revenues, or approximately $252.4 million through the first two quarters ended June 29, 2025, 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 these currencies against the U.S. dollar would have resulted in a decrease or increase, respectively, of approximately $25.2 million in our total net revenues for the two quarters ended June 29, 2025.

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 CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

### *Remediation of the Previously Disclosed Material Weakness in System Controls*

As previously disclosed in Item 9A of Part II of the Company's Annual Report on Form 10-K for the year ended December 29, 2024, management identified a material weakness in internal control over financial reporting related to access that could enable the creation of journal entries without review and approval. Management took actions to remediate the material weakness, which included designing and implementing additional and enhanced controls to prevent and detect access that could enable the creation of journal entries without review and approval. In addition, management has implemented certain system controls to enable proper segregation of duties related to journal entry data and processes, and expects to continue to enhance system controls to strengthen our control environment. These actions have been in place for a sufficient period of time, and management has performed adequate testing to conclude that these controls are operating effectively. As a result, management has concluded that this material weakness has been remediated.

### *Evaluation of the Effectiveness of our Disclosure Controls and Procedures*

As of June 29, 2025, 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 not effective as of the end of the period covered by this Quarterly Report on Form 10-Q due to the identification of a material weakness in the non-routine goodwill impairment assessment described below.

### *Identification of a Material Weakness in the Non-Routine Goodwill Impairment Assessment*

During the preparation of this Quarterly Report on Form 10-Q, a material weakness was identified related to the review of significant inputs and assumptions utilized in the goodwill impairment assessment performed outside of management's routine annual assessment. Specifically, the control activities were not executed at the appropriate level of precision to prevent or detect a material misstatement. Although this control deficiency did not result in an adjustment to the goodwill impairment charge recognized in the second quarter of fiscal 2025, this control deficiency could have resulted in a material misstatement of the goodwill impairment charge and related disclosures in the interim Condensed Consolidated Financial Statements.

*Remediation Measures*

Management is committed to taking actions to remediate the material weakness in the non-routine goodwill impairment assessment, which include designing and implementing additional controls to (i) enhance the level of precision of the review of goodwill impairment assessments utilizing additional resources, and (ii) improve the supporting documentation related to reviews of significant inputs and assumptions associated with the Company's goodwill impairment assessments. These actions are expected to be completed by the end of fiscal 2025. We can offer no assurance that these actions will ultimately have the intended effects. This material weakness will be considered remediated once the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. Accordingly, management will continue to monitor and evaluate the effectiveness of our internal control over financial reporting and the disclosure controls and procedures.

After giving full consideration to the material weakness mentioned above, and considering the isolated nature of the impacted control activities and financial statement line items, management believes that the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q fairly present in all material respects the Company's financial condition, results of operations, and cash flows for the periods and dates presented.

***Changes in Internal Controls over Financial Reporting***

Except as discussed above related to remediation of the material weakness in system controls, there were no changes during the fiscal quarter ended June 29, 2025 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 business. 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 more information, including information regarding certain legal proceedings that commenced during the quarter ended June 29, 2025, which is incorporated by reference into this Item 1 of Part II of this Quarterly Report on Form 10-Q.

## Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in "Risk Factors" in Item 1A of Part I of the Company's Annual Report on Form 10-K for the year ended December 29, 2024.

## 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

None.

## Item 6. Exhibits

| Exhibit No. | Description of Exhibit |
|---|---|
| 10.1 | Incremental Assumption Agreement and Amendment No. 1 to Credit Agreement, dated May 2, 2025, by and among Krispy Kreme, Inc., Cotton Parent, Inc., Krispy Kreme Doughnuts, Inc., the other loan parties party thereto, the lenders party thereto and BNP Paribas as administrative agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, File number 001-40573, filed on May 8, 2025, and incorporated by reference herein) |
| 10.2 | Incremental Assumption Agreement and Amendment No. 2 to Credit Agreement, dated May 7, 2025, by and among Krispy Kreme, Inc., Cotton Parent, Inc., Krispy Kreme Doughnuts, Inc., the other loan parties party thereto, the lenders party thereto and BNP Paribas as administrative agent (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, File number 001-40573, filed on May 8, 2025, and incorporated by reference herein) |
| 10.3* | Unit Purchase Agreement, dated June 10, 2025, among Verlinvest Cookies Holdings, Inc., Mistral Sleepless Holdings 2, LLC, and Krispy Kreme Doughnut Corporation |
| 10.4* | Unit Redemption Agreement, dated June 10, 2025, between Insomnia Cookies Holdings, LLC and Krispy Kreme Doughnut Corporation |
| 10.5** | Exclusive Distribution Agreement dated March 15, 2022, by and between Krispy Kreme Doughnut Corporation and BakeMark USA LLC |
| 10.6**† | Form of Restricted Stock Unit Agreement |
| 10.7**† | Form of Performance-Based Restricted Stock Unit Agreement |
| 10.8**† | Form of Option Agreement |
| 10.9** | Credit Agreement, dated March 23, 2023, by and among Krispy Kreme, Inc., Cotton Parent, Inc., Krispy Kreme Doughnuts, Inc., the other borrowers party thereto from time to time, the lenders party thereto and BNP Paribas as administrative agent and collateral agent |
| 10.10**† | Transition & Director and Advisor Services Agreement effective December 1, 2023 between Michael Tattersfield, Krispy Kreme, Inc., and Krispy Kreme Doughnut Corporation |
| 10.11**† | Key Employee Agreement among Krispy Kreme, Inc., Krispy Kreme Doughnut Corporation and Joshua Charlesworth, dated October 12, 2023 |
| 10.12** | Unit Purchase Agreement, dated July 17, 2024, among Insomnia Cookies Holdings, LLC, Mistral Sleepless Holdings, LLC, and Verlinvest Cookies Holdings, Inc. |
| 10.13**† | Agreement and General Release, dated as of January 10, 2025, by and between Krispy Kreme Doughnut Corporation and Matthew Spanjers |
| 19.1** | Krispy Kreme, Inc. Insider Trading Policy |
| 31.1* | Certification of Chief Executive Officer of Krispy Kreme, Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act. |
| 31.2* | Certification of Chief Financial Officer of Krispy Kreme, Inc. pursuant to Rule 13a-14(a) or 15d-14(a) promulgated under the Exchange Act. |
| 32.1*** | 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. |
| 101 | The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 29, 2025, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive (Loss)/Income, (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). |

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|---|---|
| * | Filed herewith. |
| ** | Previously filed; being refiled solely to correct formatting. No substantive changes have been made. |
| *** | Furnished herewith. |
| † | Compensatory plan or arrangement |

**SIGNATURES**

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

Date: August 8, 2025

Krispy Kreme, Inc.

By: /s/ Raphael Duvivier
Name: Raphael Duvivier
Title: Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)