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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from ________ to ________

Commission file number 001-40798

DUTCH BROS INC.
(Exact name of registrant as specified in its charter)

Delaware	**87-1041305**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1930 W. Rio Salado Pkwy **Tempe, Arizona**	**85281**
(Address of principal executive offices)	(Zip Code)

(877) 899-2767
(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbol	Name of Exchange on which Registered
Class A Common Stock, par value $0.00001 per share	BROS	The New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant, as of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $8.5 billion, computed using the closing price on that day of $68.37.

As of February 6, 2026, the registrant's outstanding shares of common stock were as follows:

Class A common stock	127,054,187
Class B common stock	35,210,946
Class C common stock	2,279,846

Documents Incorporated by Reference

Portions of the registrant’s definitive proxy statement relating to the 2026 Annual Meeting of Stockholders of Dutch Bros Inc., which will be filed with the Securities and Exchange Commission within 120 days of December 31, 2025, are incorporated by reference in Items 10, 11, 12, 13, and 14 of Part III of this report.

DUTCH BROS INC.

ANNUAL REPORT ON FORM 10-K

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GLOSSARY

As used in this Annual Report on Form 10-K (this Form 10-K), the terms identified below have the meanings specified below unless otherwise noted or the context requires otherwise. References in this Form 10-K to “Dutch Bros,” the “Company,” “we,” “us” and “our” refer to Dutch Bros Inc. and its consolidated subsidiaries unless the context indicates otherwise.

TERM	DEFINITION
2022 Credit Facility	Has the meaning set forth in NOTE 9 — Debt to the consolidated financial statements, included elsewhere in this Form 10-K
2025 Credit Facility	Has the meaning set forth in NOTE 9 — Debt to the consolidated financial statements, included elsewhere in this Form 10-K
AI	Artificial intelligence
AOCI	Accumulated Other Comprehensive Income
ASU	Accounting Standards Update
AUV	Average Unit Volume; determined based on the net sales for any trailing twelve-month period for systemwide and company-operated shops that have been open a minimum of 15 months.
Blocker Companies	TSG7 A AIV VI Holdings, LLC and DG Coinvestor Blocker, LLC
BPS or bps	Basis points which is used to express differences in rates. One basis point is the equivalent of 1/100 of one percent.
CODM	Chief Operating Decision Maker
Co-Founder	Travis Boersma and affiliated entities over which he maintains voting control.
Continuing Members	The Co-Founder and the Sponsor and any of their assignees or successors pursuant to the terms of the Exchange Tax Receivable Agreement or OpCo LLC Agreement
Dutch Bros OpCo	Dutch Mafia, LLC, a Delaware limited liability company and direct subsidiary of Dutch Bros Inc.
Dutch Bros Inc.	A Delaware corporation, the Class A common stock of which is publicly traded on the New York Stock Exchange under the symbol “BROS”.
EBITDAR	Earnings before interest, taxes, depreciation, amortization, and rent costs
ESG	Environmental, social, and corporate governance
Exchange Tax Receivable Agreement	The Exchange Tax Receivable Agreement among the Company and the Continuing Members entered into in connection with reorganization transactions prior to the IPO.
FASB	Financial Accounting Standards Board
GAAP	U.S. Generally Accepted Accounting Principles
IPO	Initial Public Offering
MOB	A group of master broistas who travel to help open new locations and markets. They train new broistas on operations and infuse them with the culture of Dutch Bros.
N/M	A not meaningful percentage.
OpCo LLC Agreement	The Fifth Amended and Restated Limited Liability Company Agreement of Dutch Bros OpCo.
OpCo Units	Class A common units, Class B voting units and Class C voting units of Dutch Bros OpCo, each as further defined in the OpCo LLC Agreement, collectively.
Pre-IPO Blocker Holders	TSG7 A AIV VI Holdings-A, L.P. and DG Coinvestor Blocker Aggregator, L.P. or their assignees or successors pursuant to the terms of that certain Reorganization Tax Receivable Agreement.
PSU	Performance-Based Stock Units
QSR	Quick Service Restaurant

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GLOSSARY

TERM	DEFINITION
Reorganization Tax Receivable Agreement	The Reorganization Tax Receivable Agreement among the Company and the Pre-IPO Blocker Holders entered into in connection with the reorganization transactions prior to the IPO.
RSA	Restricted Stock Awards
RSU	Restricted Stock Units
Same Shop Sales	The estimated percentage change in year-over-year sales, for the comparable shop base, which we define as shops open for 15 complete months or longer as of the first day of the reporting period.
SEC	Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
Sponsor	TSG Consumer Partners, L.P. and certain of its affiliates.
Tax Receivable Agreements and TRAs	The Reorganization Tax Receivable Agreement, and the Exchange Tax Receivable Agreement entered into in connection with reorganization transactions prior to the IPO.
TSR	Relative Total Shareholder Return
Western United States	The collection of states including Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah and Washington.

Forward-Looking Statements

Certain statements in this Form 10-K, including statements regarding our expectations regarding our growth and the number of new shops we may open, the impact of new and ongoing initiatives, including Dutch Rewards, order ahead, hot food and consumer packaged goods, consumer demand, the impact of inflation, increased minimum wages, and general macroeconomic conditions on our results of operations, supply chain or liquidity, the potential impact of actions we have taken to mitigate the impact of unforeseen circumstances, taxes and tax rates, and new and evolving legislative and regulatory requirements, are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. We use words such as “anticipate,” “believe,” “could,” “should,” “estimate,” “expect,” “intend,” “may,” “predict,” “project,” “target,” and similar terms and phrases, including references to assumptions, to identify forward-looking statements. These forward-looking statements are based on information available to us as of the date any such statements are made, and we assume no obligation to update these forward-looking statements. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the statements. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Form 10-K.

While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect actual results. You should evaluate all forward-looking statements made in this report in the context of the factors that could cause outcomes to differ materially from expectations. These factors include, but are not limited to, those listed under “Item 1A. Risk Factors” of this report, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

You should read the consolidated financial statements and the related notes in this Form 10-K together with our analysis and discussion of our consolidated financial condition and results of operations and other financial information included elsewhere in this Form 10-K.

Website Disclosure

We use our website as a distribution channel of material company information. Financial and other important information regarding our company is routinely posted on and accessible through our website at https://investors.dutchbros.com. In addition, you may automatically receive email alerts and other information about our company when you subscribe your email address by visiting the “Investor Email Alerts” section of our investor relations page at https://investors.dutchbros.com/resources. The information on our website is not incorporated herein or otherwise a part of this Form 10-K.

PART I

ITEM 1. BUSINESS

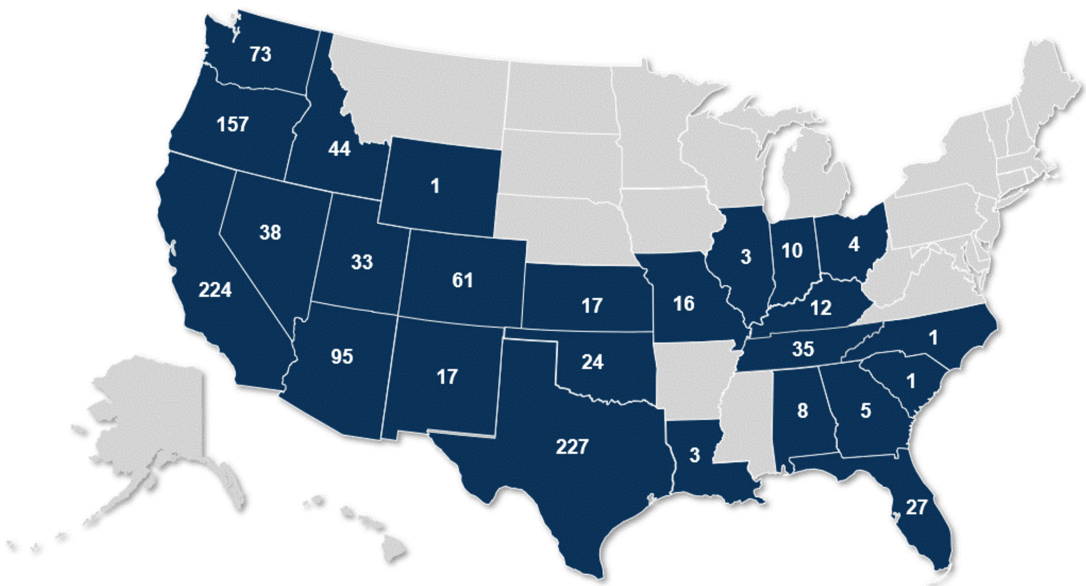
Dutch Bros Inc. is a Delaware corporation, and its Class A common stock trades on the New York Stock Exchange under the symbol “BROS”.

Our Company

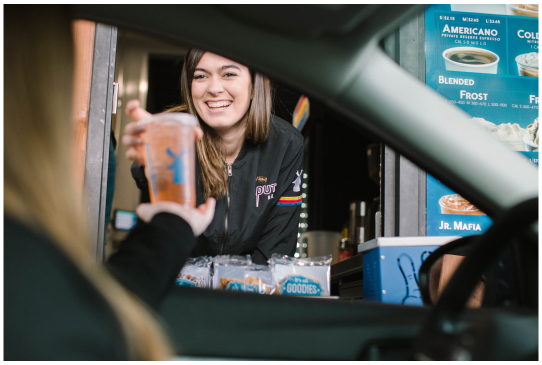
Dutch Bros is a high growth operator and franchisor of drive-thru shops that focus on serving high- QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon. Today, we believe that Dutch Bros is one of the fastest-growing brands in the quick service beverage industry in the United States.

As of December 31, 2025, we had 1,136 shops, of which 811 were company-operated and 325 were franchise, across 25 states as shown in the graphic below. For additional information regarding company-operated and franchise shops by state, refer to Part I, Item 2 Properties of this Form 10-K.

Shops by State



The Dutch Bros Experience



Dutch Bros is more than just the products we serve: we are dedicated to making differences in the lives of our employees, customers, and the communities in which we operate. Our people are the key to our success and our broistas are the face of Dutch Bros, delivering on our core values of SPEED, QUALITY, and SERVICE.

- **SPEED:** Our drive-thru and walk-up windows enable us to rapidly serve our customers. In 2024, we launched order ahead functionality to elevate throughput and enhance convenience.
- **QUALITY:** We take pride in the training and skills of our broistas, which enable them to provide consistent, high-quality hand-crafted beverages to our customers.
- **SERVICE:** We embrace a customer-first attitude and use every interaction to connect with our customers and seek to deliver an experience that exceeds our customers' expectations.

The combination of hand-crafted and high-quality beverages, our unique drive-thru experience, and our community-driven people-first culture has allowed us to successfully open new shops and continue to share the "Dutch Luv". To achieve these experiences and create meaningful differentiation in our industry, we and our franchise partners are committed to attracting and retaining broistas who deliver an experience that exceeds our customers' expectations. We empower our broistas to take the extra step to make each customer interaction remarkable.

Our Menu

We sell a wide range of customizable hot, iced, and blended beverages, as well as certain food offerings.

- **Coffee:** coffee-based beverages make up ~50%[1] of our menu mix. In our shops, we utilize premium La Marzocco machines to handcraft espresso shots for both our hot and cold custom classic and signature coffee beverages. We also sell our proprietary coffee-based "Freeze" blended beverages and cold brew. We import and roast our own coffee beans. Our Private Reserve coffee is a 100% Arabica three-bean blend, roasted by Dutch Bros in our Grants Pass, Oregon or Melissa, Texas facilities.
- **Energy:** ~25%[1] of our menu mix is based upon our proprietary Dutch Bros Rebel® energy drink, which is highly customizable with flavors and modifiers and can be served blended or over ice. Our energy platform helps us appeal to a diverse customer base.
- **Refreshments and Other:** the remaining ~25%[1] of our menu mix is a wide variety of teas, lemonades, smoothies, and sodas offering caffeine-lite and caffeine-free beverages that can be enjoyed across all dayparts and by customers of all ages. We also offer a select variety of food options.

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1 Based on percentage of total sales in 2025.

Customization is at the core of what we do, and we encourage our customers to make their drinks “their own” through the addition of flavors and other modifiers including protein milk, boba, soft top and a variety of other mix-ins and toppings. We believe this customization process helps create a competitive moat and drives a broad demographic appeal. Because of our robust pantry and “made-to-order” process, we also have the ability to tailor many of our drinks to specific dietary needs, including sugar-free, dairy-free, caffeine-free, and fat-free, which positions us favorably as customer trends evolve.

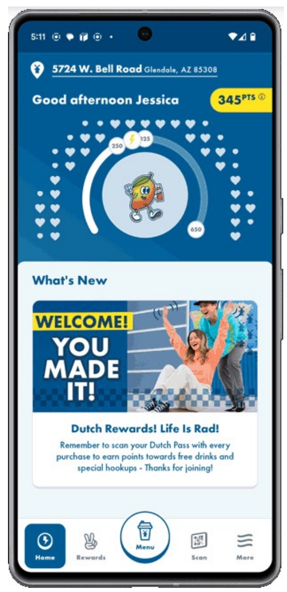
Our Dutch Rewards Loyalty Program

Dutch Rewards is our app-based digital loyalty program. In 2025, approximately 72% of all transactions were attributable to Dutch Rewards members, up from approximately 68% in 2024.

Dutch Rewards uses a spend-based model, where customers collect points that can be redeemed for rewards. These rewards can be utilized to receive free drinks or shared with others. Points and rewards generally expire after six months.

We offer members the ability to preload funds on their account and pay through our app, a function we call Dutch Pass. In addition to being convenient for customers, Dutch Pass enables us to increase our speed of service by reducing the payment collection time. Our Dutch Pass functionality also allows users to purchase and share gift cards, providing more customers the opportunity to share in the Dutch Bros experience.

We utilize Dutch Rewards to communicate and interact directly with our customers and drive transactions. We see an opportunity to continue enhancing the sophistication of our segmentation and targeting efforts, using consumer insights to drive behaviors that we expect will create lasting value. We intend to continue investing in consumer insights and moving toward more segmented marketing to offer targeted messaging, offers, and rewards that enhance the Dutch Bros experience at an attractive return on investment.



Order Ahead

In 2024, we launched order ahead functionality within our Dutch Rewards app. Customers can either choose to park and pick-up at our walk-up window or pick-up their order in our drive thru. To date, many customers have chosen to utilize the pick-up feature, which we believe has considerable capacity. Whether customers choose our drive thru or walk-up window, their drink is personally delivered with a friendly interaction from a broista, which we believe helps maintain and strengthen service and connection as competitive differentiators.

Our order ahead system interacts with our existing point-of-sale and kitchen display system, easing integration with our operations. We believe our shops are well situated for order ahead, with multiple beverage production bars and escape lanes and pick-up windows at many of our shops. We have the ability to throttle production at peak times to help ensure smooth operations.

Order ahead provides enhanced convenience to our customers, allowing for orders to be placed in advance of customers arriving at a shop and offering an alternative to waiting in line. Compared to our peers in the beverage industry, we have an opportunity to drive transactions in the morning daypart. Order ahead may present an opportunity to appeal to a broader range of customers who may be time-constrained in the morning and have not previously considered Dutch Bros as part of their morning routine.

Our Shops

Speed is core to what we do at Dutch Bros. We primarily utilize a drive-thru model: approximately 85% of our business is conducted through the drive-thru with the remaining 15% conducted at our walk-up windows. The vast majority of our shops do not have lobbies with customer seating areas. We believe our business model places a premium on customer convenience without sacrificing the personal experience. Our shops and our real estate strategy are designed from the ground up to support this drive-thru centric business.

Although our shops typically have a smaller overall footprint than competitors drive-thru formats, essentially all of our square footage is used to support the production of beverages. We typically target lots that are at least 25,000 square feet to handle substantial car volume. Except for a handful of legacy "coffee houses," which do have lobby areas, our shops are designed to enable customers to drive-thru or walk-up and enjoy their beverage off premises. Most of our shops feature either a single or double drive-thru window with multiple feeder lanes for traffic flow and a walk-up window.

Legacy Configuration

Size: ~500 square feet

Geographies: Legacy West Coast

Characteristics: May have drive-thru lanes on both sides of the building; walk-up window optional; no lobby; storage outbuilding may be needed.

Current Configuration

Size: ~800-1,000 square feet

Geographies: Widespread

Characteristics: Multiple drive-thru lanes served by one window; ample car stacking and circulation, escape lane likely; walk-up window standard; no lobby.

Endcap Configuration

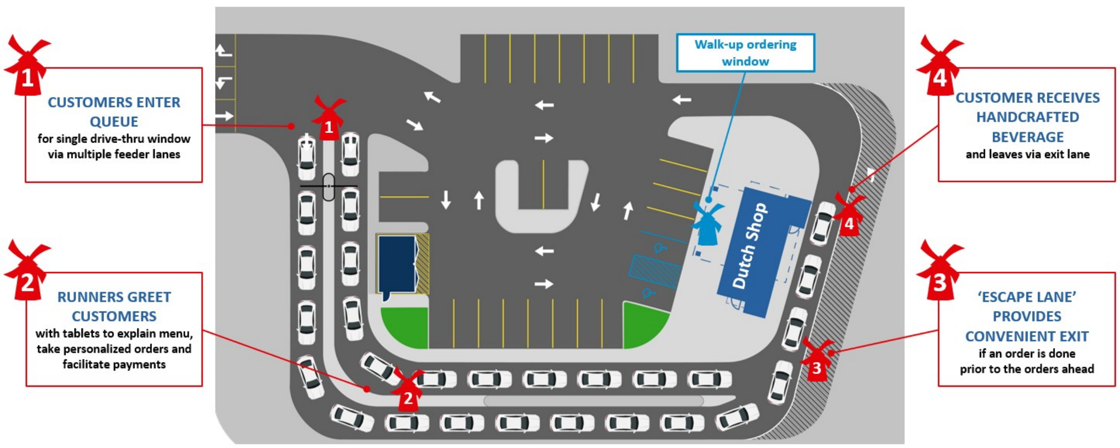
Size: ~1,000-1,200 square feet

Geographies: Select Locations

Characteristics: Attached to the end of a strip center or purpose built with co-tenants; may have lobby with walk-up window, but no seating.

When our shops are busy, a "runner" broista leaves the shop and greets our customers before they reach the drive-thru window. The runner explains the menu and helps customers personalize their orders. Using tablets, our runners take orders, sending them to broistas inside the shop, who utilize our flexible systems to hand-craft custom beverages.

Many of our shops also have walk-up ordering windows and "escape lanes" that enable customers to exit the line after a runner delivers their drink before reaching the window, helping increase throughput and reducing congestion. For illustration of our shop model, see the graphic below.



Our Long-Term Franchise Partners

We believe we have a high-quality and strong franchise base, made up of long-term franchise partners. Many of these franchise partners began their Dutch Bros journeys working in the shops as broistas.

Throughout our history, we have used a variety of development models, including both franchise and company-operated led growth. We currently utilize a mixed model, where we continue to encourage our franchisees to develop within their existing operating areas (where we believe there is significant room for continued growth) while developing new regions with company-operated shops.

Since 2017, our focus has been a company-operated strategy with all operators recruited from within our organization. While we maintain great relationships with our existing franchise partners and they continue to open new shops as they look to infill their high-demand markets, we anticipate that the majority of new shops we open each year going forward will continue to be company-operated shops.

Our Growth Strategies

We are a high-growth company with considerable whitespace and opportunities. We will continue expanding our business to positively impact our communities through the following growth strategies:

Grow Our People: Scale Our Culture

- Recruit, develop, and retain great people
- Provide robust internal training and career advancement programs, which help develop a high-quality talent pool of candidates seeking larger roles within the Company
- Target 100% internal promotion for regional operators from a list of approximately 475 qualified candidates with an average tenure of more than 7.5 years
- Invest in our leadership team to support operations and drive strategy

Grow Our Shop Base: Execute On Our Large Whitespace

- Open new shops with superior financial returns
- Target a “mid-teens” annual new shop growth rate
- Invest in our shop development teams so they can utilize new data sources, analytic techniques, and tighter underwriting standards
- Utilize a refined real estate strategy that balances infill penetration and pacing to support new shop productivity as we grow in new markets

Grow Transactions: Develop Sales Layers

- **Innovation** - assume an innovation leadership position within the beverage industry, keeping the brand fresh and encouraging trial and frequency
- **Paid Media** - build brand awareness in new and existing markets through enhanced messaging and elevated spending
- **Dutch Rewards** - increase sophistication of our segmentation and offers to drive more effective communication and higher frequency
- **Order Ahead** - offer greater convenience, widen our addressable customer set, and seek to drive frequency, especially in the morning daypart where customers may have greater time constraints
- **Food** - expand food offering in 2026 to better address customer needs in the critical morning daypart. We aim to capture beverage occasions with potential customers who desire breakfast with their morning beverage and choose options other than Dutch Bros currently
- **Throughput** - make strategic labor deployment decisions to drive a consistent and elevated customer experience

Grow Margins: Deliver Long-term Margin Expansion

- Continue targeting company-operated contribution margins of ~30%, supporting quick capital paybacks and funding future shop growth
- Seek opportunities to continue to reinforce our shop-level P&L through operational improvements, which will enable us to continue investing to maintain our competitive advantages
- Continue targeting and achieving Adjusted SG&A leverage through strong revenue growth and smart investments

Operations

Coffee Procurement and Roasting

We pride ourselves on the quality of our coffee. To ensure we are able to consistently deliver high-quality coffee across all shops in our system, we are actively involved in the sourcing, roasting, packaging, and distribution of coffee beans.

We partner with third-party importers and exporters to purchase and import our green coffee beans. Through this relationship, we source high-quality coffee beans from across Central and South America.

Since 2021, we have partnered with Enveritas, an independent nonprofit organization that provides sustainability verifications for coffee. Annually, we have our green coffee purchases and our farmer support impact investments assessed against Enveritas' responsible sourcing standards. In their evaluation, Enveritas maps our sourcing footprint and evaluates and monitors environmental, economic, and social conditions within the sourcing areas where we purchase our coffee, including child labor and forced labor.

Within Dutch Bros, we sponsor a Coffee Origins Impact Program focused on continuous improvement and targeted investments in environmental, economic, and social conditions within our supply chain. We are also proud members of World Coffee Research, an organization dedicated to ensuring the future of coffee with a strategic aim to preserve origin diversity in the face of climate change and accelerate innovation for coffee agriculture and climate resistant varietal productivity.

We currently roast all our coffee in our roasting facilities in Grants Pass, Oregon and Melissa, Texas. We roast our coffee bean varietals to specific profiles designed to highlight each of the coffee beans' unique flavors and aromas. After the coffee beans are roasted, we blend them to create our signature Private Reserve espresso blend.

We package and ship our Private Reserve, Decaf and White Coffee espresso blends to several distributors across the country that supply all our company-operated and franchised shops.

We designed our supply chain to be flexible in response to changes in the market. On average, we typically have approximately three months of green coffee bean inventory stored at our two ports of entry in the United States or at our roasting facilities. In the event of a supply disruption in any one of our production origins, we have identified alternate coffee beans with substantially similar flavor profiles that can be sourced and incorporated to produce our blend.

In 2024, we opened a new roasting facility in Melissa, Texas. This facility increases the resilience of our supply chain and we expect this to reduce transportation costs as we expand company-operated shops eastward within the United States.

Sourcing and Supply Chain

In addition to coffee purchases, we also source dairy, syrups, packaging, Dutch Bros Rebel energy drink, and other items. We strive to have multiple sources for our key commodities, including dairy, to provide stability. As we grow eastward, we are continuing to adjust our supplier and distribution network to find partners more centrally located to our expanding shop base while continuing to evaluate our current market partnerships to ensure that they can grow and scale in accordance with our future plans. Strategically, our Supply Chain team is recalibrating its innovation-to-implementation pipeline, aiming to add more process capabilities while remaining nimble for increased product innovation at scale.

We also manufacture our own proprietary Dutch Bros Rebel energy drink via a co-bottling and co-packaging relationship. Neither our Dutch Bros Rebel energy drink, nor our syrups, contain high-fructose corn syrup, as we use pure cane sugar as a sweetener for our non-sugar free offerings.

In 2023, we began rolling out tap systems and distributing our Dutch Bros Rebel energy drink via a “bag in a box” system for use in shop beverage taps, with the goal of helping us reduce our dependence on aluminum cans. In 2025, all new company-operated shops had tap machines installed, and we continue to test and explore additional solutions for retrofits and installations. As we scale, we remain committed to reducing our footprint related to beverage dispensing and continue to look for opportunities to mitigate our impact on the environment.

Quality, Health, and Safety

We and our franchise partners strive to maintain a safe, healthy environment at each shop through the careful training and supervision of personnel and by following rigorous quality standards. Both company operated and franchise shops receive quality assurance inspections on a regular cadence. As part of our people-first culture, the health and safety of our customers and employees are our highest priority.

Our commitment to beverage and food safety is strengthened through the direct relationships among our supply chain, culinary research and development, food safety, and operations teams. We collaborate with our supply chain partners on material decisions regarding ingredients and process changes to ensure our final customer-facing product meets our standards of approval. We examine new and existing suppliers’ food safety and quality records through compliance assessments, and we reserve the right to conduct spot-checks, onsite audits, and verify insurance coverage. We believe that our established requirement for franchise partners to purchase supplies and equipment from approved vendors further enhances safety and quality within our system.

Furthermore, as part of our broista onboarding process, new hires are taken through our “broista manifesto” which includes food safety training. Before working a shift on their own, broistas must pass our “flow check” test, which ensures they can make every drink to our high standards. We have recently strengthened and improved our food safety training to include programs and practices that address the expected wider rollout of our food program.

Our supply chain risk model stretches beyond food safety and quality assurance practices. Products are evaluated for risk on the basis of other numerous factors, including price volatility, supply continuity, and sustainability.

People

Our people are the heart of our mission and the foundation of our success. We strive to build meaningful relationships with our employees, who are key members of the communities we love and serve. We attract individuals who love growth, thrive in unique and fun environments, and radiate positivity. With a love for life, a natural ability to connect with others in any circumstance, and a genuine smile, our team members embody everything that makes Dutch Bros special. As of December 31, 2025, we and our franchise partners have approximately 32,000 employees, of which approximately 23,000 employees are in our company-operated shops and headquarters.

Sharing the Dutch Luv

We are committed to sharing the Dutch Luv at our headquarters, at the window, and in our communities, cultivating an inclusive environment of love, acceptance, and kindness. Our commitment strives to ensure all customers, crews, and communities are welcomed, honored, and loved.

- Building Community Through Employee Resource Groups: Expanded and enriched Employee Resource Groups foster connection, belonging, and shared purpose among employees and allies. These groups create spaces where individuals can celebrate their identities, support one another, and collaborate on initiatives that make a meaningful impact, strengthening the sense of community across the organization.
- Continuous improvement of our library of training, events, and resources to headquarters employees and shop management.

Total Rewards

At our company, we are committed to fostering a dynamic and supportive workplace that nurtures the growth and satisfaction of our employees. To remain competitive in today's ever-evolving business landscape, we routinely evaluate and adjust our salary and wage offerings, ensuring alignment with current labor market conditions.

As part of our strategic growth initiatives, we continuously enhance our total rewards program, which is designed to attract and retain exceptional talent. Our comprehensive suite of benefits reflects this commitment and includes several key offerings for our broistas, shop management, and headquarters employees, such as:

- Competitive Compensation: We uphold a company-wide minimum wage of at least $10.00 per hour, ensuring fair pay across all markets.
- Parental Leave: Employees in management roles and those at our headquarters benefit from more than eight weeks of company-paid parental leave after completing one year of service.
- Wellness Initiatives: Our wellness program empowers employees to prioritize their health and well-being, while our employee assistance program offers free access to support resources for all team members.
- Tuition Assistance: We provide financial support for professional development through tuition assistance, available after one full year of service, enabling our employees to enhance their skills and advance in their careers.
- Flexible Working Arrangements: Flexible working arrangements are a feature of our headquarters, which fosters a positive work-life balance through a hybrid work environment.
- Community Engagement: We encourage social responsibility by offering up to 16 hours of paid volunteer time for all employees, allowing them to contribute positively to their communities.
- Growth Opportunities: Our culture emphasizes teamwork and collaboration, with numerous opportunities for leadership development and career advancement.

Training and Development

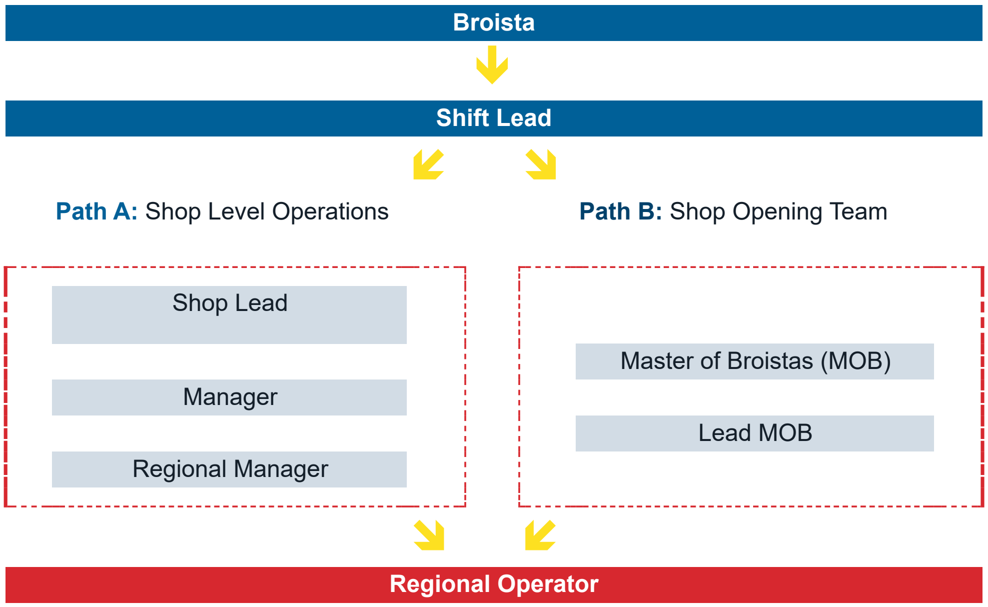
We are committed to inspiring and facilitating personal and professional growth for our people as they fulfill their dreams and contribute to their communities. As part of this commitment, we provide resources to train and develop our people.

Broista Training

- 3 days of "Manifesto" Training: cultural immersion, history, and fundamental knowledge
- 7 shifts of on-the-job positional training
- Review of Manifesto, field guide, and employee handbook, and have proficiency tests twice per year

Compelling Future Pathways

We exclusively source regional operators, who we view as the linchpins of our field organization and lead between 3-7 shops at scale, from within our organization. For our continued growth, it is critical that we consistently train and develop new leaders. Our leadership development program, branded “LEAD” outlines shop growth opportunities at all levels of the organization and furthers our philosophy of hiring and developing leaders from within. This program provides ample opportunities for our shop broistas to create their own compelling future pathway, which can be a mix of Path A and B, to reach their potential goals.



This leadership program develops a pipeline of home-grown talent, which we believe will be sufficient for our new shop growth over the next several years.

Philanthropy

Since our inception, we have been dedicated to giving back to the communities in which we serve, and we consider our brand to be a powerful platform for social impact. Our philanthropic efforts support local and national causes as well as the farmers, families and communities where our coffee beans grow. A culture of philanthropy and giving back to build better communities permeates the entire Dutch Bros organization, energizing our broistas and customers alike.

In partnership with the Dutch Bros Foundation (the Foundation) and our franchise partners, we host company-wide giveback days each year. The Foundation is a not-for-profit organization founded by Dutch Bros that supports our philanthropic efforts, making impactful contributions to causes across the country.

“Dutch Luv”	“Drink One for Dane”	“Buck for Kids”
In February, we hosted a giveback day in support of local organizations working to fight food insecurity in our communities.	In May, in honor of our co-founder Dane Boersma, we hosted a fundraising event to support the Muscular Dystrophy Association to find a cause and cure for ALS, or Lou Gehrig’s disease.	In September, we hosted a giveback day in support of local nonprofit organizations helping create brighter futures for local kids.
	2025 Donations	
More than $1.0 million	$1.0 million	More than $1.2 million

Additionally, our operators and franchise partners are empowered to host local, shop-specific giveback days throughout the year that help support and build relationships within the communities they serve. In 2025, our local giveback days resulted in over $1.5 million donated to approximately 180 local organizations.

Competition

The beverage industry is highly competitive and fragmented, and our shops compete on a variety of factors, including convenience, taste, price, quality, service, labor, and location. We believe our primary competitors include national and regional coffee chains, local specialty coffee shops, regional drive-thru beverage chains, and drive-thru quick service restaurants. Our competitors operate company-operated, franchised, and mixed business models. In addition, we also compete with convenience stores.

Intellectual Property

We own many registered trademarks and service marks in the United States, the most important of which might be our trademarked Windmill logo. Other important trademarks include our “Dutch Bros,” “Dutch Bros Coffee,” “Dutch Bros Rebel,” and “Dutch Bros. Blue Rebel” word marks and our recognizable Dutch Bros sign logo. We believe the Dutch Bros name and the many distinctive marks associated with it are of significant value and are very important to our business. Accordingly, as a general policy, we pursue registration and monitor the use of our marks in the United States and challenge unauthorized use.

We license the use of our marks to franchise partners, third-party vendors and others through franchise agreements, vendor agreements, and licensing agreements. These agreements typically restrict third parties’ activities with respect to use of the marks, impose brand standards requirements, and require licensees to inform us of any potential infringement of the marks.

We register some of our copyrighted material and otherwise rely on common law protection of our copyrighted works. Such copyrighted materials are not material to our business.

Government Regulation and Environmental Matters

We are subject to extensive federal, state, local, and foreign laws and regulations, as well as other statutory and regulatory requirements, including those related to, among others, nutritional content labeling and disclosure requirements, food safety regulations, local licensure, building, and zoning regulations, employment regulations, laws and regulations related to our licensed operations, and environmental reporting requirements. New laws and regulations or new interpretations of existing laws and regulations may also impact our business. The costs of compliance with these laws and regulations are high, are likely to increase in the future, and any failure on our part to comply with these laws may subject us to significant liabilities and other penalties. See "Risk Related to Regulation and Litigation" in Item 1A, Risk Factors for more information.

We are not aware of any federal, state, or local provisions that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, that have materially affected, or are reasonably expected to materially affect, our results of operations, competitive position, or capital expenditures.

Seasonality

Our business is subject to seasonal fluctuations that impact our revenue and shop gross profit margins. We typically experience higher nominal system sales in the summer months, which impacts revenue and shop gross profit margins in our second and third quarters of our fiscal year.

Information About our Executive Officers

The executive officers of Dutch Bros Inc. as of the filing of this Form 10-K, are as follows:

Travis Boersma, 55 — **Co-founder and Executive Chairman of the Board**

Mr. Boersma is our Co-Founder and has served as our Executive Chairman since August 2021 and as the Executive Chairman of Dutch Bros OpCo since February 2021. Prior to serving as our Executive Chairman, he served as the Chief Executive Officer of Dutch Bros OpCo from February 2019 to February 2021. Mr. Boersma has led us as Co-Founder since 1992. Mr. Boersma attended Southern Oregon University.

Christine Barone, 52 — **Chief Executive Officer and President**

Ms. Barone has served as our Chief Executive Officer and as a member of our Board since January 2024, and as our President since February 2023. Ms. Barone has worked in the food service and beverage industries for more than a decade, and most recently served as Chief Executive Officer at True Food Kitchen, a high growth restaurant and lifestyle brand, from August 2016 to February 2023. Prior to that, she served in various leadership roles at Starbucks Corporation (Nasdaq: SBUX). Earlier in her career, she held positions with Bain & Company and Raymond James. Since March 2020, Ms. Barone has served on the Board of Directors of Yelp Inc. Ms. Barone holds a B.A. in Applied Mathematics and an M.B.A. from Harvard University.

Joshua Guenser, 47 — **Chief Financial Officer**

Mr. Guenser has served as our Chief Financial Officer since May 2024, after a transitional period as Incoming Chief Financial Officer from February 2024 to May 2024. Mr. Guenser served as Chief Financial Officer of MOD Super Fast Pizza Holdings, LLC, a US-based fast-casual pizza restaurant chain, from March 2020 to January 2024. Prior to that, he served in various roles at Starbucks Corporation (Nasdaq: SBUX), a global coffee chain, from October 2009 to March 2020, most recently as Senior Vice President, Finance - Americas from January 2019 to March 2020, and prior to that, as Vice President, Finance - US Retail from July 2018 to January 2019. Mr. Guenser holds a Master of Professional Accounting and a B.A. in Business Administration from the University of Washington.

Tana Davila, 43 **Chief Marketing Officer**

Ms. Davila has served as our Chief Marketing Officer since June 2023. Prior to joining Dutch Bros, she served as Chief Marketing Officer at CKE Restaurants, Inc., a quick service restaurant group, from September 2022 to June 2023. Prior to that, she served in various roles at PF Chang's China Bistro Inc., a casual dining restaurant chain, including most recently as Chief Marketing Officer from September 2019 to August 2022, as Senior Vice President – Marketing from January 2019 to September 2019, and as Vice President – Marketing and Brand Development from November 2017 to January 2019. Ms. Davila has served on the board of directors of El Pollo Loco (NASDAQ:LOCO) since January 2026. Ms. Davila is a Fulbright Scholar and holds a B.A. in International Studies and German from Washington University in St. Louis, a J.D. from Seton Hall University, and an M.B.A. from Emory University.

Victoria Tullett, 58 **Chief Legal Officer**

Ms. Tullett has served as our Chief Legal Officer since September 2022 and has more than 20 years of experience helping diverse organizations manage operational risk and achieve record levels of growth, compliance, and profitability. Prior to joining Dutch Bros, she served Papa Murphy's International, a franchise model take-and-bake pizza company, for more than 20 years in various roles, including most recently as Senior Vice President, General Counsel, and head of new store Development from May 2019 to August 2022, and from May 2014 to May 2019, as Chief Legal Officer while the company was publicly traded on the Nasdaq. Ms. Tullett holds a J.D. from Lewis & Clark, Northwestern School of Law.

Senior Leadership Team

Along with our executive officers, other members of our senior leadership team include:

Brian Cahoe **Chief Development Officer**

Mr. Cahoe has served as our Chief Development Officer since February 2025. Responsible for overseeing the Company's new shop growth and development strategy, he brings nearly 25 years of experience in the quick service restaurant industry. Prior to joining Dutch Bros, he most recently served as Chief Development Officer for KFC U.S. at Yum! Brands (NYSE: YUM). He holds a B.S. in Industrial Engineering from the University of Louisville, and an M.B.A. from Bellarmine University.

Jess Elmquist **Chief People Officer**

Mr. Elmquist has served as our Chief People Officer since January 2024. He has nearly 30 years of experience leading people in founder-led and high growth companies. Before joining the Company, Mr. Elmquist served as Chief Human Resources Officer and Chief Evangelist for Phenom, a global HR technology company. Mr. Elmquist also served in various leadership roles at Life Time, most recently as Chief Learning Officer, and EVP of Human Capital. He holds a B.A. in Education from Bethel University and an M.A. in Organizational Psychology and Change Leadership from Columbia University

Venki Krishnababu **Chief Technology and Information Officer**

Mr. Krishnababu has served as our Chief Technology and Information Officer since December 2024. He has nearly 30 years of experience leading transformational, enterprise-shaping tech strategies in the health care and global retail sectors. Before joining the Company, Mr. Krishnababu served seven years at lululemon athletica inc. (NASDAQ: LULU), most recently as Chief Technology Officer. Earlier in his career, he served as Chief Technology Officer at Premera Blue Cross and in various tech leadership roles at Nordstrom, Inc. He holds a Bachelor of Engineering from PSG College of Technology.

Jennifer Somers **Chief Shops Officer**

Ms. Somers has served as our Chief Shops Officer since January 2026. Before joining the Company, Ms. Somers served as Chief Operations Officer of Cava Group, Inc. (NYSE: CAVA), a fast-casual Mediterranean restaurant chain, from November 2021 to September 2025. Prior to that, she served in various roles at Taco Bell, under Yum! Brands, Inc. (NYSE: YUM), an operator and franchisor of fast-casual and quick-service restaurant chains, from November 2015 to November 2021, most recently as Senior Vice President of US Restaurant Operations from November 2020 to November 2021. Ms. Somers holds an M.B.A. from The Wharton School, University of Pennsylvania, and a B.S. in Operations Research & Industrial Engineering from Cornell University.

Available Information

Our website address is dutchbros.com. Our Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the SEC, and all amendments to these filings, can be obtained free of charge from our website at https://investors.dutchbros.com/financials/sec-filings/default.aspx or by contacting our Investor Relations department at our office address listed above as soon as reasonably practical following our filing or furnishing of any of these reports with the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov. We also routinely use the investor relations page on our website as a channel of distribution for important Company information, including press releases, analyst presentations, and financial and corporate governance information. The contents of these websites are not incorporated into this filing. Further, the Company's references to the URLs for these websites are intended to be inactive textual references only.

ITEM 1A. RISK FACTORS

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in our Class A common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this summary, and other risks that we face, can be found below under the heading "Risk Factors" and should be carefully considered, together with other information in this Form 10-K and our other filings with the SEC before making investment decisions regarding our Class A common stock.

- Evolving consumer preferences and tastes or changes in consumer spending may adversely affect our business.
- Our financial condition and quarterly results of operations are subject to, and may be adversely affected by, a number of factors, many of which are also largely outside our control and as such our results may fluctuate significantly and may not fully reflect the underlying performance of our business.
- We may not be able to compete successfully with other shops, QSRs and convenience shops, including the growing number of coffee delivery options. Intense competition in the food service and restaurant industry could make it more difficult to expand our business and could also have a negative impact on our operating results if customers favor our competitors.
- Our failure to manage our growth effectively could harm our business and operating results.
- Our inability to identify, recruit, and retain qualified individuals for our shops could slow our growth and adversely impact our ability to operate.
- Our shops are geographically concentrated in the Western United States, and we could be negatively affected by conditions specific to that region.
- Interruption of our supply chain of coffee, flavored syrups or other ingredients, coffee machines and other restaurant equipment or packaging could affect our ability to produce or deliver our products and could negatively impact our business and profitability.
- Increases or sustained inflation in the cost of high-quality arabica coffee beans, dairy, or other commodities or decreases in the availability of high-quality arabica coffee beans, dairy, or other commodities could have an adverse impact on our business and financial results.
- Our success depends substantially on the value of our brand and failure to preserve its value could have a negative impact on our financial results.
- Food safety and quality concerns may negatively impact our brand, business, and profitability, our internal operational controls and standards may not always be met and our employees may not always act professionally, responsibly and in our and our customers' best interests. Any possible instances or reports, whether true or not, of food and/or beverage-borne illness could reduce our sales.
- Changes in the availability of and the cost of labor could harm our business.
- Our culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the high employee engagement fostered by our culture, which could harm our business.
- Our Co-Founder continues to have significant influence over us, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.
- We are a "controlled company" within the meaning of the New York Stock Exchange rules and, as a result, qualify for, and may rely on, exemptions and relief from certain corporate governance requirements. You do not have the same protections afforded to stockholders of companies that are subject to such requirements.

- Our growth strategy depends in part on opening new shops in existing and new markets. We may be unsuccessful in opening new shops or establishing new markets, which could adversely affect our growth.
- Our operating results and growth strategies are closely tied to the success of our franchise partners, and we have limited control with respect to their operations. Additionally, our franchise partners' interests may conflict or diverge with our interests in the future, which could have a negative impact on our business.

Risk Factors

You should carefully consider the risks described below in addition to the other information set forth in this Form 10-K, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Quantitative and Qualitative Disclosures about Market Risk," our consolidated financial statements and related notes in this Form 10-K, before making an investment decision. If any of the risks and uncertainties described below occur, it could have a material adverse impact on our business, reputation, financial position, results of operations or cash flows, and the trading price of our Class A common stock. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, the factors discussed below. The risks described herein are not the only risks we may face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may become material and adversely affect our business, reputation, financial condition, results of operations or cash flows, or the trading price of our Class A common stock.

Risks Related to Our Business

Evolving consumer preferences and tastes or changes in consumer spending may adversely affect our business.

Dutch Bros' continued success depends on our ability to attract and retain customers. Our financial results could be adversely affected by a shift in consumer spending away from outside-the-home beverages, decreases in general discretionary consumer spending (including due to higher gas prices, inflation or lack of consumer confidence), lack of customer acceptance of new products including new drink offerings, hot food, and consumer packaged goods (including due to price increases necessary to cover the costs of new products or higher input costs), brand perception (such as the existence or expansion of our competitors), platforms (such as features of our mobile app and changes in our loyalty rewards programs and initiatives), a reduction in individual vehicle ownership, which in turn may reduce the usefulness and convenience of our drive-thru shops, or customers reducing their demand for our current offerings as new products, including new drink offerings, hot food, and consumer packaged goods, are introduced. We may not be successful in introducing new products or new features to our mobile app that are adopted by our customers. Experimentation with and implementation of innovations in products and technologies, including hot food, may result in inefficiencies, such as a slowdown in our shop operations and traffic flow, disruption of workflows, technical glitches, disruption of current systems and technology, and negative customer experiences.

In addition, most of our beverages contain sugar, caffeine, dairy products, and other compounds, such as taurine and artificial coloring, the health effects of which are the subject of public and regulatory scrutiny, including the suggestion of linkages to a variety of adverse health effects, including by representatives of U.S. regulatory authorities such as the Food and Drug Administration. There is increasing consumer awareness of health risks that are attributed to ingredients we use, particularly in the United States, including obesity, increased blood pressure and heart rate, anxiety and insomnia, as well as increased consumer litigation based on alleged adverse health impacts attributed to the consumption of various food and beverage products. While we offer alternatives, including reduced sugar and sugar-free items, negative publicity or an unfavorable perception of the health effects of sugar, caffeine, or other ingredients in our products could significantly reduce the demand for our beverages and could harm our business.

Our financial condition and results of operations are subject to, and may be adversely affected by, a number of factors, many of which are also largely outside our control.

Our results of operations will be subject to a number of factors and may vary significantly in the future as they have in the past, many of which are outside of our control, and may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our results of operations and key metrics include, without limitation, those listed elsewhere in this Risk Factors section and those listed below. Any one or more of the factors listed below or described elsewhere in this section could harm our business:

- increases in real estate or labor costs in certain markets, which we have recently experienced;
- changes in consumer preferences;
- disruptions in our supply chain;
- the impact of shortages or inflation on our cost of goods or labor, including commodity costs such as coffee, and construction supplies and labor, which we have recently seen;
- changes in governmental laws and rules, including those regarding minimum wage, and approaches to taxation and tariffs;
- severe weather or other natural or man-made disasters affecting a large market or several closely located markets that may temporarily but significantly affect our business in such markets, including the price or availability of goods;
- labor discord or disruption, geopolitical events, social unrest, war, regional conflicts, acts of terrorism, political instability or uncertainty, acts of public violence, boycotts, hostilities and social unrest, or resurgence of or new epidemics; and
- adverse outcomes of litigation.

Our marketing programs may not be successful, and our new menu items, advertising campaigns, and other initiatives may not generate increased revenues or profits.

We incur costs and expend resources in our marketing efforts on new menu items, advertising campaigns to raise brand awareness and attract and retain customers, and other initiatives. For example, we began testing hot food offerings in a limited number of shops and implemented order ahead capabilities in over 95% of shops during 2024, and began offering consumer packaged goods in some markets during 2026. These initiatives, and other initiatives we implement, may not be successful in creating new occasions in our shops or improving our financial condition and results of operations, resulting in expenses incurred without the benefit of higher revenue. For example, new menu offerings may not generate enough customer interest and sales to become profitable or cover the costs of their implementation, and may reduce our operating income. Additionally, the success of a new initiative may negatively impact our existing lines of business, for example, the availability of consumer packaged goods could result in a reduction in traffic to our shops, and could negatively impact our overall results of operations.

Some of our competitors have substantially greater financial resources than we do, which enable them to spend significantly more on marketing, advertising, pricing and other initiatives. Should our competitors increase spending on marketing and advertising and other initiatives or our marketing funds decrease for any reason, or should our advertising, promotions and new menu items fail to reach our customers effectively and efficiently, for example if our marketing efforts do not continue to appeal to our current customers or are perceived negatively, there could be an adverse effect on our revenues and profits could decrease.

Additionally, we have worked with, and plan to continue to work with, select social media influencers in promoting or marketing our products. Such relationships between Dutch Bros and social media influencers may not be successful or appeal to our customers, and may be perceived negatively. Recently, other brands have faced backlash for partnerships with certain social media influencers due to such influencers’ actions before or after such partnerships. We have limited control over such influencers’ behavior in promoting or marketing our products, and no control over such influencers’ behaviors outside of any partnership to promote or market our products, and we may face negative public sentiment due to such relationships.

From time to time our marketing efforts include limited releases of either paid or complimentary merchandise. These limited releases may be unsuccessful in creating increased demand and result in incurred cost without additional benefit. They may also be more successful than planned, resulting in product scarcity and negative customer sentiment, including potential social media backlash, which could harm our reputation and negatively affect our profits.

We may not be able to compete successfully with other coffee shops, QSRs, and convenience shops, including the growing number of coffee delivery options. Intense competition in the food service and restaurant industry could make it more difficult to expand our business and could also have a negative impact on our operating results if customers favor our competitors.

The food service and restaurant industry is intensely competitive. We expect competition in this market to continue to be intense as we compete on a variety of fronts, including convenience, taste, price, quality, service, and location. If our company-operated and franchised shops cannot compete successfully with other beverage and coffee shops, other specialty coffee shops, drive-thru QSRs, and the growing number of coffee delivery options in new and existing markets, we could lose customers and our revenue could decline. Our company-operated and franchised shops compete with national, regional, and local coffee chains, QSRs, and convenience shops for customers, shop locations, and qualified management and other staff. Compared to us, some of our competitors have been in business longer, have greater brand recognition, or are better established in the markets where our shops are located or are planned to be located. In some markets that we may grow into, there are already well-funded competitors in the drive-thru coffee or beverage business that may challenge our ability to grow into those regions. Certain markets may limit the number of drive-thru businesses operating within their geographic region, which could negatively affect our ability to grow into those markets. Some of our competitors have substantially greater financial and other resources to devote to innovation in products, technology, and market and consumer data analytics, including integration, use, or offering of new technologies, including artificial intelligence (AI). We may be unable to offer new or innovative products and technologies to our customers that are offered by our competitors, or there may be a delay in our ability to innovate or implement new technologies. Any of these competitive factors may harm our business.

Additionally, if our competitors begin to evolve their business strategies and adopt aspects of the Dutch Bros business model, such as our drive-thru convenience, digital ordering, and similar product offerings or branding, our customers may be drawn to those competitors for their beverage needs and our business could be harmed.

Our strategic initiatives and growth strategy may be unsuccessful which could adversely affect our business and financial results.

As of December 31, 2025, Dutch Bros had 1,136 shops across 25 states, of which 811 were company-operated and 325 were franchised. One of the key means to achieving our growth strategy will be through opening new shops and operating those shops on a profitable basis. During the year ended December 31, 2025, we opened 141 new company-operated shops, across 19 states. Our ability to open new shops is dependent upon a number of factors, many of which are beyond our control, including our and our franchise partners' ability to:

- identify available and suitable sites, specifically for drive-thru locations;
- compete for such sites;
- reach acceptable agreements regarding the lease of locations;
- obtain or have available the financing required to acquire and operate a shop, including construction and opening costs, which includes access to build-to-suit leases and ground lease construction arrangements;

- establish and maintain relationships with necessary third parties, including developers, landlords, and construction companies;
- respond to unforeseen engineering or environmental problems with leased premises;
- avoid the impact of inclement weather, natural disasters, and other calamities;
- hire, train, and retain the skilled management and other employees necessary to meet staffing needs;
- obtain, in a timely manner and for an acceptable cost, required licenses, permits, and regulatory approvals and respond effectively to any changes in local, state, or federal law and regulations, such as regulatory bans on new drive-thru businesses, that adversely affect our and our franchise partners' costs or ability to open new shops; and
- control construction and equipment cost increases for new shops and secure the services of qualified contractors and subcontractors in an increasingly competitive environment.

There is no guarantee that a sufficient number of suitable sites for shops will be available in desirable areas or on terms that are acceptable to us in order to achieve our growth plan. If we are unable to open new shops, or if existing franchise partners do not open new shops, or if shop openings are significantly delayed, our revenue or earnings growth could be adversely affected and our business may be harmed.

In addition, we may experience delays in our shop development and expansion plans due to unexpectedly long processing times or delays on the part of governmental agencies who issue necessary licenses, permits, and approvals. Delays in the permitting or licensure processes that may result from government shutdowns, for example, the U.S. federal government shutdown during October and November of 2025, staffing shortages, or similar actions that are out of our control, due to, among other things, loss of or uncertainty around federal funding, including the receipt of federal funding by states or state agencies where we operate, could lead to delays in building our shops and affect our shop development and expansion plans, which could harm our results of operations and financial condition.

As part of our longer-term growth strategy, we expect to continue to enter into geographic markets in which we have little or no prior operating experience. The challenges of entering new markets include: adapting to local regulations or restrictions that may limit our ability to open new shops, restrictions on the use of certain branding, or increases in the cost of development; difficulties in hiring qualified personnel; unfamiliarity with local real estate markets and demographics; consumer unfamiliarity with our brand; and different competitive and economic conditions, consumer tastes, and discretionary spending patterns that are more difficult to predict or satisfy than in our existing markets. Consumer recognition of our brand has been important in the success of our shops in our existing markets, and we will need to build this recognition in new markets. Shops we open in new markets may take longer to reach expected sales and profit levels on a consistent basis and may have higher construction, occupancy, and operating costs than existing shops, thereby affecting our overall profitability. Any failure on our part to recognize or respond to these challenges may adversely affect the success of any new shops.

New shops, once opened, may not be profitable or may close, and the increases in average per shop revenue and comparable sales that we have experienced in the past may not be indicative of future results.

We plan to continue to open additional company-operated shops in markets, including in markets where we have little or no operating experience. The target customer base of our shops varies by location, depending on a number of factors, including population density, other local coffee and convenience beverage distributors, area demographics, and geography. Our results have been, and in the future may continue to be, significantly impacted by the timing of new shop openings, which is subject to a number of factors, many of which are outside of our control, including landlord delays, delays due to scarcity of construction labor, associated pre-opening costs, and operating inefficiencies, as well as changes in our geographic concentration due to the opening of new shops. We have typically incurred the most significant portion of pre-opening expenses associated with a given shop within the three months preceding the opening of the shop. Due to the impact of inflation and other factors, we are experiencing increased costs in connection with new shops. Our experience has been that labor and operating costs associated with a newly opened shop for the first several months of operation are materially greater than what can be expected after that time, both in aggregate dollars and as a percentage of sales. Our new shops commonly take three months or more to reach planned operating levels due to inefficiencies typically associated with new shops, including the training of new personnel, new market learning curves, inability to hire sufficient qualified staff, and other factors. We may incur additional costs in new markets, particularly for transportation and distribution, which may impact sales and the profitability of those shops. Accordingly, the volume and timing of new shop openings may have a material adverse impact on our profitability.

Some of Dutch Bros' shops open with an initial start-up period of higher-than-normal sales volumes and related costs, which subsequently decrease to stabilized levels. In new markets, the length of time before average sales for new shops stabilize is less predictable and can be longer as a result of our limited knowledge of these markets and consumers' limited awareness of our brand. In addition, we do not expect our AUV and comparable sales to continue to increase at the rates achieved over the past several years. Our ability to operate new shops profitably and increase average shop revenue and comparable shop sales will depend on many factors, some of which are beyond our control, including:

- consumer awareness and understanding of the Dutch Bros brand;
- general economic conditions, such as inflation, which can affect shop traffic, local labor costs, and prices we pay for the beverage and other supplies we use;
- consumption patterns and beverage preferences that differ from region to region;
- changes in consumer preferences and discretionary spending, which we have seen impacted recently by factors such as inflation and other macroeconomic pressures on consumers;
- difficulties obtaining or maintaining adequate relationships with distributors or suppliers in new markets;
- increases or continued elevation in prices for commodities, including coffee, milk, and flavored syrups, including due to announced tariffs whether or not such tariffs are ultimately enacted;
- inefficiency in our labor costs as the staff gains experience;
- competition, either from our competitors in the food service and restaurant industry or our own shops;
- temporary and permanent site characteristics of new shops;
- changes in government regulation;
- our ability to hire, motivate, and retain qualified employees who share our values;
- our ability to operate effectively, including timely open and meet demand due to scarcity of equipment or other materials; and
- other unanticipated increases in costs, including costs of construction materials and trade labor, any of which could give rise to delays or cost overruns.

If our new shops do not perform as planned or close, our business and future prospects could be harmed. In addition, an inability to achieve our expected average shop revenue could harm our business.

Additionally, opening new shops in existing markets may negatively impact sales at our, and our franchise partners', existing shops. The consumer target area of our shops varies by location, depending on a number of factors, including population density, other local retail and business attractions, area demographics, and geography. Our core business strategy anticipates achieving an ideal AUV through multiple mid-volume shops in a single region to infill and reduce the number of high-volume shops in order to provide continued efficient service. However, existing shops could also make it more difficult to build our and our franchise partners' consumer base for a new shop in the same market. Sales transfer between our shops may be significant in the future as we continue to expand our operations, and we expect it will have an impact on our sales growth, which could, in turn, harm our business.

As we expand, we may not be able to maintain our current average shop sales and our business may be harmed. Although we target specified operating and financial metrics, new shops may never meet these targets or may take longer than anticipated to do so. Any new shop we open may never become profitable or achieve operating results similar to those of our existing shops, which could adversely affect our business, financial condition, or results of operations.

Our failure to manage our growth effectively could harm our business and operating results.

We have experienced rapid growth. The growth and expansion of our business may place a significant strain on our management, operational, and financial resources. As we expand our business, it is important that we continue to maintain a high level of customer service and satisfaction which may place a significant strain on our management, sales and marketing, administrative, financial, and other resources. We may not be able to respond in a timely basis to all the changing demands that our planned expansion will impose on management and on our existing infrastructure, or be able to hire or retain the necessary management and broistas, which could harm our business. Further, if we are not able to continue to provide high quality customer service as a result of these demands, our reputation, as well as our business, could be harmed, including by a decline in financial performance. If we experience a decline in financial performance, we may decrease the number of or discontinue new Dutch Bros shop openings, or we may decide to close shops that we are unable to operate in a profitable manner.

We are required to manage multiple relationships with various strategic partners, our franchise partners, customers, and other third parties. In the event of further growth of our operations or in the number of our third-party relationships, our existing management systems, financial and management controls, and information systems may not be adequate to support our planned expansion and allow for us to accurately monitor and predict changes in our costs and customer demand. Additionally, we may face challenges of integrating, developing, training, and motivating a rapidly growing employee base in our various shops and maintaining our company culture across multiple offices and shops. In 2024 and 2025, we shifted a majority of our total support staff to our Phoenix, Arizona headquarters. In connection with our reorganization, we experienced increased turnover of support staff employees unable or unwilling to relocate to Arizona and may see further increased turnover in our support functions, which could potentially lead to inefficiencies, such as operational delays or disruptions and increased labor costs. In addition, increased turnover of support staff employees could make it difficult to retain other employees necessary to maintain an effective system of internal controls, including internal control over financial reporting, and timely file periodic reports with the SEC. Our ability to manage our growth effectively will require us to continue to enhance our systems, procedures and controls, and to locate, hire, train, and retain management and broistas, particularly in new markets which may require significant capital expenditures.

Damage to our brand or reputation or negative publicity could negatively impact our business.

Our reputation and the quality of our Dutch Bros brand are critical to our business and success in existing markets and will be critical to our success as we enter new markets. We believe that we have built our reputation on the high quality of our hand-crafted beverages and service, our commitment to our customers and our strong employee culture, and we must protect and grow the value of our brand in order for us to continue to be successful. Any incident that erodes consumer loyalty for our brand could significantly reduce its value and damage our business.

We may, from time to time, be faced with negative publicity, including on social media, regardless of its accuracy, relating to: beverage quality; pricing; the safety, sanitation and welfare of our shops; customer complaints or litigation alleging illness or injury; health inspection scores; integrity of our or our suppliers' or franchise partners' food processing, employment practices, and other policies, practices, and procedures; or employee relationships and welfare; the appearance of our shops on third-party delivery platforms that may contain inaccurate menu pricing and extended delivery times; partnerships with social media influencers to promote or market our products; related parties, such as our Co-Founder, and their reputation, public perception, or actions, whether or not related to Dutch Bros; or other matters. Negative publicity may adversely affect us, regardless of whether the allegations are substantiated or whether we are determined to be responsible, and it may be difficult to address negative publicity, including as a result of fictitious media content (such as content produced by generative AI technologies or bad actors). In addition, the negative impact of adverse publicity relating to one shop may extend far beyond the shop involved, to affect some or all of our other shops, including our franchise partner shops. The risk of negative publicity is particularly great with respect to our franchise partner shops because we are limited in the manner in which we can regulate them, especially on a real-time basis, and negative publicity from our franchise partners' shops may also significantly impact company-operated shops. A similar risk exists with respect to beverage businesses unrelated to us if customers mistakenly associate such unrelated businesses with our operations. Employee claims against us based on, among other things, wage and hour violations, discrimination, harassment or wrongful termination may also create not only legal and financial liability but also negative publicity that could adversely affect us and divert our financial and management resources that would otherwise be used to benefit the future performance of our operations. These types of employee claims could also be asserted against us, on a co-employer theory, by employees of our franchise partners. A significant increase in the number of these claims or an increase in the number of successful claims could harm our business.

Additionally, social media platforms and similar devices, including blogs, social media websites and other forms of internet-based communications provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on social media platforms is virtually immediate as is its impact. Many social media platforms immediately publish the content their subscribers and participants can post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning us may be posted on such platforms at any time. Such platforms could be used for or result in polarizing campaigns or movements involving our brand. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects, or business. The harm may be immediate without affording us an opportunity for redress or correction and, as we grow our brand awareness, the risk of visibility and potential magnitude of any resulting harm increases.

Ultimately, the risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may harm our business.

Our inability to identify, recruit, and retain qualified individuals for our shops could slow our growth and adversely impact our ability to operate.

Our success also depends substantially on the contributions and abilities of our broistas on whom we rely to give customers a superior experience and elevate our brand. At Dutch Bros, it's about having fun and giving customers our special brand of "Dutch Luv," growing our people, and forming genuine relationships with our customers. Accordingly, our success depends in part upon our ability to attract, motivate, and retain a sufficient number of qualified operators, all of whom come from within our system, and broistas to meet the needs of our existing shops and to staff new shops. Some of our broistas advance to become operators and when they do, their prior positions need to be filled. We aim to hire warm, friendly, motivated, caring, self-aware, and intellectually curious individuals, who are excited and committed to championship performance, remarkable and enriching hospitality, embodying our culture and actively growing themselves and our brand. A sufficient number of qualified individuals to fill these positions and qualifications may be in short supply in some communities. Competition in these communities for qualified staff is high and may require us to pay higher wages and provide greater benefits. We place a heavy emphasis on the qualification and training of our personnel and spend a significant amount of time and money on training our employees. Any inability to recruit and retain qualified individuals may result in higher turnover and increased labor costs, and could compromise the quality of our service, all of which could adversely affect our business. Any such inability could also delay the planned openings of new shops and could adversely impact our existing shops. Any such inability to retain or recruit qualified employees, increased costs of attracting qualified employees or delays in shop openings could harm our business.

We are subject to the risks associated with leasing space subject to long-term non-cancelable leases and, with respect to the real property that we own, owning real estate.

Our leases generally have initial terms of 15 years with renewal options. Shop leases provide for a specified annual rent, typically at a fixed rate for the first five years, with incremental escalations thereafter, and which may contain Consumer Price Index increases and other escalators. Generally, our leases are "net" leases, which require us to pay all the cost of insurance, taxes, maintenance and utilities. We generally cannot terminate these leases without incurring substantial costs. Additional sites that we lease, including facilities for corporate support staff, are likely to be subject to similar long-term non-cancelable leases. If an existing or future shop is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, as each of our leases expires, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to close shops in desirable locations. Also, because we sometimes purchase real property for various shop locations and company facilities, we are subject to all the risks generally associated with owning real estate, including changes in the investment climate for real estate, demographic trends and supply or demand for the use of the shops, which may result from competition from similar restaurants in the area as well as strict, joint and several liability for environmental contamination at or from the property, regardless of fault.

Our operating results and growth strategies are closely tied to the success of our franchise partners and we have limited control with respect to their operations. Additionally, our franchise partners' interests may conflict or diverge with our interests in the future, which could have a negative impact on our business.

As of December 31, 2025, approximately 29% of our shops were operated by Dutch Bros' franchise partners and, because of this, we depend on the financial success and cooperation of our franchise partners for our success. Our franchise partners are independent business operators and are not our employees, and as such we have limited control over how our franchise partners run their businesses, and their inability to operate successfully could adversely affect our operating results.

We receive royalties, franchise fees, contributions to our marketing development fund, and other fees from our franchise partners. Additionally, we sell proprietary products to our franchise partners at a markup over our cost to produce. We have established operational standards and guidelines for our franchise partners; however, we have limited control over how our franchise partners' businesses are run, including day to day operations. Even with these operation standards and guidelines, the quality of franchised Dutch Bros shops may be diminished by any number of factors beyond our control. Consequently, our franchise partners may not successfully operate shops in a manner consistent with our standards and requirements, such as quality, service, and cleanliness, may not hire and train qualified shop managers, broistas and other shop personnel, or may not implement marketing programs and major initiatives such as shop remodels or equipment or technology upgrades, which may require financial investment. Even if such unsuccessful operations do not rise to the level of breaching the related franchise documents, they may be attributed by customers to our Dutch Bros brand and could have a negative impact on our business.

Our franchise partners may not be able to secure adequate financing to open or continue operating their Dutch Bros shops. If they incur too much debt or if economic or sales trends deteriorate such that they are unable to repay existing debt, our franchise partners could experience financial distress or even bankruptcy. If a significant number of our franchise partners become financially distressed, it could harm our operating results through reduced royalty revenue, marketing fees, and proprietary product sales, and the impact on our profitability could be greater than the percentage decrease in these revenue streams. In addition, franchise partners may desire to sell their franchise locations, in some cases, to a third party, or to the Company, which may result in unexpected costs to the Company related to evaluating or consummating these transactions.

While we are responsible for ensuring the success of our entire system of shops and for taking a longer-term view with respect to system improvements, our franchise partners have individual business strategies and objectives, which might conflict with our interests. We may not be able to extend or renew agreements with our franchise partners on favorable terms. Our franchise partners may from time to time disagree with us and our strategies and objectives regarding the business or our interpretation of our respective rights and obligations under the franchise agreement and the terms and conditions of the franchise partner relationship. This may lead to disputes with our franchise partners and we expect such disputes to occur from time to time in the future as we continue to have franchises. Such disputes may result in legal action against us. To the extent we have such disputes, the attention, time and financial resources of our management and our franchise partners will be diverted from our shops, which could harm our business even if we have a successful outcome in the dispute.

Actions or omissions by our franchise partners in violation of various laws may be attributed to us or result in negative publicity that affects our overall brand image, which may decrease consumer demand for our products. Franchise partners may engage in online activity via social media or activity in their personal lives that negatively impacts public perception of our franchise partners, our operations or our brand as a whole. This activity may negatively affect franchise partners' sales and in turn impact our revenue.

In addition, various state and federal laws govern our relationship with our franchise partners and our potential sale of a franchise. A franchise partner and/or a government agency may bring legal action against us based on the franchisee/franchisor relationships that could result in the award of damages to franchise partners and/or the imposition of fines or other penalties against us.

Our shops are geographically concentrated in the Western United States, and we could be negatively affected by conditions specific to that region.

As of December 31, 2025, our company-operated and franchised shops in the Western United States represent approximately 65% of our total shops. Adverse changes in demographic, unemployment, economic, regulatory, or weather conditions in the Western United States, have harmed, and may continue to harm, our business. As a result of our concentration in this market, we have been, and in the future may be, disproportionately affected by these adverse conditions compared to other chain beverage shops with a more expansive national footprint. For example, in recent years, wildfires spread across most western states causing poor air quality which reduced consumers' willingness to venture outside their homes and, we believe, reduced our AUVs, and any future wildfires may have a similar impact. If we experience wildfires, such wildfires may also damage shops and the communities in which they operate which could decrease demand for our products. For example, in 2018 a wildfire partially destroyed a town in northern California and damaged one of our shops. In addition to rebuilding costs, prolonged economic recovery within affected communities may have a negative impact on our results of operations. In addition, one of our two roasting operations is in this region and may experience closures or be subject to damage due to adverse weather conditions occurring in the Western United States. For example, in 2022 our roasting facility in Grants Pass, OR was temporarily under a "Level 1 - Be Ready" evacuation alert due to the Rum Creek Fire. Future wildfires may result in actual evacuations and closures, which would disrupt our operations and may harm our business.

Interruption of our supply chain of coffee, flavored syrups or other ingredients, coffee machines, and other restaurant equipment or packaging could affect our ability to produce or deliver our products and could negatively impact our business and profitability.

Any material interruption in our supply chain, such as material interruption of the supply of coffee, flavored syrups, dairy, coffee machines, cans for our Dutch Bros Rebel energy drink, and other restaurant equipment or packaging, including any packaging for our for our proprietary products, for any reason, including: the casualty loss of our roasting facilities; interruptions in service by our third-party logistic service providers or common carriers that ship goods within our distribution channels; trade restrictions, such as increased tariffs or quotas, embargoes or customs restrictions; pandemics; social or labor unrest; acts of terrorism; natural disasters; or political disputes and military conflicts could have a negative material impact on our business and our profitability. For example, in 2005, our roasting facility burned and our costs increased as we replaced these operations by purchasing coffee from other roasters and paying for contract roasting to cover for the shortage in our own supply, and, in 2021, there were global delays in shipping due in part to the COVID-19 pandemic.

Uncertainty around potential tariffs, embargoes, or similar restrictions could cause uncertainty and disruption in our supply chain, whether or not any such tariffs, embargoes, or similar restrictions are ultimately enacted, and could have a negative material impact on our business and our profitability. For example, during 2025, the US announced the imposition of tariffs and other sanctions on various countries, including Canada, Mexico, and Colombia, many of which are subject to legal challenges, and it remains uncertain whether they, or similar measures, will ultimately be enacted or remain in effect. Any tariffs or other barriers to trade affecting Central and South America, from where we source our coffee beans, could lead to, among other things, shortages and higher cost of procurement, and could negatively impact our business and profitability.

Additionally, most of our beverages and other products are sourced from a wide variety of domestic and international business partners and we rely on these suppliers to provide high quality products and to comply with applicable laws. For certain products, we may rely on one or very few suppliers, such as for our proprietary Dutch Bros Rebel energy drinks, where we rely on relationships with our co-packers, Portland Bottling Co. and Lieb Foods, LLC to blend, package, label, and warehouse these drinks. Sales of Dutch Bros Rebel energy drinks accounted for approximately 22% of our systemwide net sales in the year ended December 31, 2025. Failures by our co-packers or any of our other suppliers or distributors to meet our standards, provide products in a timely and efficient manner, support our current and future business needs as we scale or otherwise, or comply with applicable laws is beyond our control. Failures by a supplier could have a direct negative impact that would harm our business by reducing our and our franchise partners' sales, which would reduce income from direct sales and royalties.

We have experienced disruptions in our supply chain for certain products including cups, canning supplies, lids, espresso machines and restaurant equipment parts, and certain building materials and supplies. While we have, to this point, been able to find acceptable replacements or substitutes or prepurchase certain materials or items, this may not always be possible, especially if supply chains continue to suffer disruptions for extended periods of time. If we are unable to source critical or proprietary supplies, find acceptable replacements or substitutes, or adapt our construction strategies effectively, we may be unable to sustain our growth, and it may negatively affect our business and profitability. Finding acceptable replacements or substitutes may require trial and error that could cause losses or delays. If construction and building materials are not of the quality or durability we typically require, this may lead to increased maintenance costs or even business interruption for necessary repairs or replacements in the future, and may also lead to construction defect claims which could be time-consuming and expensive to resolve. If we are unable to locate sufficient building or construction materials, or to successfully scale our construction and new shop opening operations, we may not be able to achieve our stated growth objectives.

Increases or sustained inflation in the cost of high-quality arabica coffee beans, dairy, or other commodities or decreases in the availability of high-quality arabica coffee beans, dairy, or other commodities could have an adverse impact on our business and financial results.

The availability and prices of coffee beans, dairy, and other commodities are subject to significant volatility. We purchase, roast, and sell high-quality whole bean arabica coffee beans and related coffee products. The high-quality arabica coffee of the quality we seek tends to trade on a negotiated basis at a premium above the "C" price. This premium depends, among other factors, upon the supply and demand at the time of purchase and the amount of the premium can vary significantly. Increases in the "C" coffee commodity price increase the price of high-quality arabica coffee and also impact our ability to enter into fixed-price purchase commitments. We frequently enter into supply contracts whereby the quality, quantity, delivery period, and other negotiated terms are agreed upon, but the date, and therefore price, at which the base "C" coffee commodity price component will be fixed has not yet been established.

The supply and price of coffee we purchase can also be affected by multiple factors in the producing countries, such as weather (including the potential effects of climate change), natural disasters, crop disease, general increase in farm inputs and costs of production, inventory levels, political and economic conditions, and the actions of certain organizations and associations that have historically attempted to influence prices of green coffee through agreements establishing export quotas or by restricting coffee supplies. Speculative trading in coffee commodities can also influence coffee prices. The price of coffee increased significantly during 2024 and further increased during the year ended December 31, 2025, and we expect it may remain elevated or continue increasing during 2026. Because of the significance of coffee beans to our operations, combined with our ability to only partially mitigate future price risk through purchasing practices, increases in the cost of high-quality arabica coffee beans could have a material adverse impact on our profitability. In addition, if we are not able to purchase sufficient quantities of green coffee due to any of the above factors or to a worldwide or regional shortage, we may not be able to fulfill the demand for our coffee, which could have a material adverse impact on our profitability.

We also purchase significant amounts of dairy products, particularly milk, to support the needs of our shops. For example, in 2022, there were material increases in dairy costs and such dairy costs remained elevated through, and increased further in, the third quarter of 2024. Additionally, and although less significant to our operations than coffee or dairy, other commodities, including but not limited to cocoa, plant-based "milks," tea, sugar, syrups, energy and packaging material, such as plastics, corrugate, and canning materials, are important to our operations, and may be subject to increased costs, which could negatively impact our margins. For example, the cost of sugar increased significantly in 2022 and 2023, and remained elevated during 2024, and the cost of cocoa increased significantly during 2024. While we experienced overall declines in dairy, cocoa, and sugar costs during 2025, if such costs again increase, it could negatively impact our margins and harm our business.

Increases in the cost of other commodities, such as petroleum, may increase the cost of our packing materials, or lack of availability, whether due to supply shortages, tariffs or similar governmental measures, delays or interruptions in processing, may impact consumer spending, or could otherwise harm our business. For example, in 2022, we believe fluctuating increases in gas prices negatively impacted consumer discretionary spending, particularly in the Western United States where such increases were relatively higher and where our shops are geographically concentrated.

If we fail to offer high-quality customer experience, our business and reputation will suffer.

Numerous factors may impact a customer's experience which may in turn impact the likelihood of such customer returning. Those factors include service, convenience, taste, price, quality, location of our shops, and brand image. In addition to providing high quality hand-crafted beverages, we empower our employees to provide an enhanced customer experience. Our broistas put customer needs first and we give them the flexibility required to build genuine, meaningful connections that keep our customers returning for more. From remembering our regulars by name and knowing their customary order, to having treats ready for the four-legged members of the family, or by offering a free drink to someone having a rough day—there is a hint of magic in the details of the Dutch Bros experience that leads to recurring, loyal customers. As we grow, it may be difficult for us to identify, recruit, train, and manage enough people with the right skills, talent, and attitude to provide this enhanced customer experience.

If we fail to maintain adequate operational and financial resources, particularly if we continue to grow rapidly, we may be unable to execute our business plan or maintain high levels of service and customer satisfaction.

Our continuous growth and expansion have placed, and may continue to place, significant demands on our management and our operational and financial resources. Our organizational structure is becoming more complex as we scale our operational, financial, and management controls, as well as our reporting systems and procedures. As we continue to grow, we face challenges of integrating, developing, training, and motivating a rapidly growing employee base in our various shops and maintaining our company culture across multiple offices and shops, and within our hybrid remote and remote workforce. Certain members of our management have not previously worked together for an extended period of time, and some do not have prior experience managing a public company, which may affect how they manage our growth. If we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our beverages and services may suffer, which could negatively affect our brand and reputation and harm our ability to attract users, employees, and organizations.

To manage growth in our operations and personnel, we need to continue to grow and improve our operational, financial, and management controls and our reporting systems and procedures. We will require significant capital expenditures and the allocation of valuable management resources to grow and change in these areas. Our expansion has placed, and our expected future growth will continue to place, a significant strain on our management, customer experience, research and development, sales and marketing, administrative, financial, and other resources.

In addition, as we expand our business, it is important that we continue to maintain a high level of customer service and satisfaction. As our customer base continues to grow, we will need to expand our customer service and other personnel, which will require more complex management and systems. If we are not able to continue to provide high levels of customer service, our reputation, as well as our business could be harmed.

We have a limited history of operating with a dispersed workforce and the long-term impact on our financial results and business operations are uncertain.

In 2024 and 2025, we shifted a majority of our total support staff to our Phoenix, Arizona office. Since September 2024, all employees who were not classified as remote are required to work in-person at either our Grants Pass or Phoenix office at least four days a week. Our management and support functions are now working out of multiple offices and, in some cases, continuing to work remotely.

We have a limited history of operating with a dispersed workforce and the impact on our financial results and business operations remains uncertain, particularly in the near term. Additionally, there is no guarantee that we will realize any anticipated benefits to our business from our in-person and remote workforce, such as any cost savings or operational efficiencies. Our ongoing return to in-person work in-office and maintenance of a dispersed workforce may make it increasingly difficult to manage our business and adequately oversee our employees and business functions, potentially resulting in harm to our company culture, increased employee attrition, the loss of key personnel, difficulty in properly classifying employees, and harm to the growth of our business.

We may also experience an increased risk of privacy and data security breaches and incidents involving our information technology networks and systems and data processing as our employees continue to utilize network connections outside our premises or network, including working at home, while in transit, and in public locations. The mobility of our remote workers may also subject us to an increased risk of regulatory claims if our remote employees establish a nexus for our business in unanticipated jurisdictions. This could cause us to be subject to tax and employment claims in the applicable jurisdiction. Any of these factors could adversely affect our financial condition and operating results.

We are increasingly dependent on information technology and our ability to process data in order to operate and sell our products, and if we (or the third parties with whom we work) are unable to protect against software and hardware vulnerabilities, service interruptions, data corruption, cyber-based attacks, ransomware, fraud, or security breaches, or if we (or the third parties with whom we work) fail to comply with our commitments and assurances regarding the privacy and security of such data, our operations could be disrupted, our ability to provide our products could be interrupted, our reputation may be harmed and we may be exposed to liability and loss of customers and business.

We rely on information technology networks and systems and data processing: to market; to sell and deliver our products; to fulfill orders; to collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of and share (Process or Processing) personal information, confidential or proprietary information, financial information and other sensitive information (collectively, Sensitive Information); to manage a variety of business processes and activities; for financial reporting purposes; to operate our business; to process orders; to accept payments using credit cards and debit cards; to accept payments using the Dutch Rewards mobile app; for legal purposes; and to comply with regulatory, legal and tax requirements.

Our (and those of the third parties with whom we work) information technology networks and systems, and the Processing of Sensitive Information they perform, may be vulnerable to data security and privacy threats, cyber and otherwise. These threats are prevalent, continue to rise, are becoming increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” personnel (such as through theft or misuse), organized criminal threat actors, sophisticated nation states, and nation-state supported actors. Some threat actors now engage and are expected to continue to engage in cyberattacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties with whom we work may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks, that could materially disrupt our systems and operations, supply chain, and ability to market, produce, sell, and distribute our products.

The risk of unauthorized circumvention of our security measures or those of the third parties with whom we work has been heightened by advances in computer and software capabilities and the increasing sophistication of actors who employ complex techniques, including, without limitation, “phishing” or social engineering incidents (including deep fakes, which are becoming increasingly difficult to detect), ransomware, extortion, account takeover attacks, personnel misconduct or error, denial or degradation of service attacks, malicious code (such as viruses or worms), supply-chain attacks, software bugs, adware, attacks enhanced or facilitated by AI, or malware and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of Sensitive Information and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. We and the third parties with whom we work may also experience server malfunctions, software or hardware failures, telecommunications failures, or loss of data or other information technology assets. Further, security incidents experienced by other companies may also be leveraged against us. For example, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. It may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work.

We rely upon third parties to operate critical business systems to process Sensitive Information in a variety of contexts, including, without limitation, third party payment processors, point of sale and order management systems, encryption and authentication technology, human resources systems including scheduling, payroll and compliance systems, internet service providers, enterprise resource planning and financial systems, document management and storage, employee email, our Dutch Rewards mobile app, and other functions. Our ability to monitor these third parties’ information security practices is limited, and these third parties may not have adequate information security measures in place. If these third parties experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if the third parties with whom we work fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties’ infrastructure in our supply chain or in the third parties with whom we work supply chains have not been compromised.

While we have implemented security measures designed to protect against security incidents, our security measures (and those of the third parties with whom we work) may not be adequate to prevent or detect service interruption, system failure data loss, fraud or theft, or other material adverse consequences. Moreover, we take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware or software and those of the third parties with whom we work). We may not, however, detect and remediate all such vulnerabilities, including on a timely basis. Vulnerabilities could be exploited and result in a security incident. We expect similar issues to arise in the future as the Dutch Rewards mobile app is more widely adopted, and as we continue to expand the features and functionality of the Dutch Rewards mobile app.

Any of the previously identified or similar threats and issues could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to Sensitive Information or our information technology networks and systems (or those of the third parties with whom we work). For example, we have been the target of unsuccessful phishing attempts in the past, and expect such attempts will continue in the future.

We may expend significant resources or modify our business activities to try to protect against such security incidents and/or fraud. Certain data privacy and security obligations may require us to implement and maintain specific security measures, industry-standard, or reasonable security measures to protect our information technology networks and systems and Sensitive Information. Despite our efforts to protect our information technology networks and systems, and our Processing of Sensitive Information, no security solution, strategy, or measures can address all possible security threats and/or fraud. Additionally, Sensitive Information of the Company or our customers could be leaked, disclosed, or revealed as a result of or in connection with the use of generative AI technologies by our employees', personnel's, or third parties with whom we work.

Applicable data privacy and security obligations may require us, or we may voluntarily choose, to notify relevant stakeholders of security incidents including affected individuals, customers, regulators, and investors. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we or a third party with whom we work experiences a security incident or are perceived to have experienced a security incident, we may experience adverse consequences, including reputational harm, costly litigation (including class action litigation), material contract breaches, liability, settlement costs, loss of sales, disruption in our ability (or that of third parties with whom we work) to process payments, regulatory scrutiny, actions or investigations, a loss of confidence in our business, systems and Processing of Sensitive Information, a diversion of management's time and attention, and significant fines, penalties, assessments, fees and expenses. Security incidents and attendant material consequences may prevent or cause customers to stop using our Dutch Rewards mobile app, deter new customers from using our app, and negatively impact our ability to grow and operate our business.

Additionally, the costs to respond to a security incident and/or to mitigate any security vulnerabilities that may be identified could be significant, and our efforts to address these problems may not be successful. These costs include, but are not limited to, retaining the services of cybersecurity providers; compliance costs arising out of existing and future cybersecurity, data protection and privacy laws and regulations; and costs related to maintaining redundant networks, data backups and other damage-mitigation measures. We could be required to fundamentally change our business activities and practices in response to a security incident or related regulatory actions or litigation, which could have an adverse effect on our business.

We may not have adequate insurance coverage for handling security incidents, including fines, judgments, settlements, penalties, costs, attorney fees and other impacts that arise out of incidents or breaches. If the impacts of a security incident, or the successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), it could harm our business. In addition, we cannot be sure that our existing insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms at all, or that such coverage will pay future claims. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. Moreover, our information security risks are likely to increase as we continue to expand, grow our customer base, and process, store, and transmit increasingly large amounts of personal and/or Sensitive Information. In addition to experiencing a security incident, third parties may gather, collect, or infer Sensitive Information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

Pandemics or disease outbreaks have had, and may continue to have, an effect on our business and results of operations.

Pandemics or disease outbreaks, such as the COVID-19 pandemic, have impacted and may continue to impact customer traffic at our Dutch Bros shops and may make it more difficult to staff our shops and, in more severe cases, may cause a temporary inability to obtain supplies and may increase commodity costs. The extent of the impact of pandemics or disease outbreaks on our business, operations, and development timelines and plans will depend on the specifics of any particular pandemic or disease outbreak that cannot be predicted at this time.

Our operations have been, and may continue to be, disrupted when employees or employees of our franchise partners are suspected of having a communicable disease or other illnesses since this requires us or our franchise partners to quarantine some or all such employees and close and disinfect our impacted shops. If a significant percentage of our workforce or the workforce of our franchise partners are unable to work, including because of illness or travel or government restrictions, like quarantine requirements, in connection with pandemics or disease outbreaks, our operations may be negatively impacted, potentially materially adversely affecting our business, liquidity, financial condition, or results of operations.

Our success is heavily reliant on our franchise partners and another pandemic may cause financial distress for certain franchise partners that have been or will be impacted, such as those partners who were negatively impacted by the COVID-19 pandemic. As a result of distress, our franchise partners may not be able to meet their financial obligations as they come due, including the payment of royalties, rent, or other amounts due to us. For example, in the past, this has led to write-offs of amounts we had due from our franchise partners beyond amounts we have reserved, as well as decreased future collections from franchise partners. Franchise partners' financial distress has also led to, and may continue to lead to, permanent shop closures and delayed or reduced new franchise partner development which would further harm our results and liquidity going forward. Further, in some cases, we are contingently liable for franchise partner lease obligations, and a failure by a franchise partner to perform its obligations under such lease could result in direct payment obligations for us.

While we have developed and continue to develop plans to help mitigate the potential negative impact of a pandemic, these efforts may not be effective, and any protracted economic downturn will likely limit the effectiveness of our efforts. Accordingly, it is not possible for us to predict the duration and extent to which this will affect our business at this time. There is no guarantee that a future outbreak of COVID-19 or any other widespread epidemics will not occur, or that the global economy will recover to pre-pandemic levels, either of which could seriously harm our business.

Unstable market and economic conditions may have serious adverse consequences on our business and financial condition.

The global credit and financial markets have experienced extreme volatility and disruptions (including as a result of tariffs, recession concerns, actual or perceived changes in interest rates, and continued economic inflation), which has included severely diminished liquidity and credit availability, declines in consumer confidence, prolonged weak consumer demand, a decrease in consumer discretionary spending, slower economic growth, high inflation, uncertainty about economic stability, and swings in unemployment rates. The financial markets and the global economy may also be adversely affected by the impact of tariffs, supply chain disruptions, labor shortages, fluctuations in currency exchange rates, changes in interest rates, military conflict, acts of terrorism, or other geopolitical events. Sanctions imposed, and other actions taken, by the United States and other countries in response to geopolitical conflicts may also continue to adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment, or continued unpredictable and unstable market conditions, including disruption to customer demand and our ability to purchase necessary supplies on acceptable terms, if at all. If the current equity and credit markets continue to deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our growth strategy, financial performance, and stock price, and could require us to delay or abandon growth plans. In addition, there is a risk that one or more of our current suppliers, manufacturers, or other partners may not survive an economic downturn, which could directly affect our ability to attain our operating goals on schedule and on budget.

The rapid development and integration of AI technologies into our processes presents several risks to our business.

The use of AI technologies within our business processes must be managed effectively and ethically to avoid outputs that are false, biased, or inconsistent with our values and strategies. Failure to properly manage AI technologies within our business processes, could also lead to unauthorized access to sensitive information and could harm our reputation and competitive position. At the same time, if we fail to keep pace with the rapid evolution of AI technologies, our competitive position and business results could suffer. In addition, the evolving regulatory landscape for AI technologies requires continuous monitoring and adaptation to ensure compliance and mitigate potential legal risks.

Risks Related to Our Brand

Our success depends substantially on the value of our brand and failure to preserve its value could have a negative impact on our financial results.

Our success depends in large part upon our and our franchise partners' ability to maintain and enhance our corporate reputation and the value and perception of our brand. Brand value is based in part on consumer perceptions on a variety of subjective qualities. To be successful in the future, particularly outside of the Western United States where the Dutch Bros brand may be less well-known, we believe we must preserve, grow, and leverage the value of our brand across interactions.

Business incidents, whether isolated or recurring and whether originating from us or our business partners, that erode consumer trust can significantly reduce brand value, potentially trigger boycotts of our shops, or result in civil or criminal liability and can have a negative impact on our financial results. Such incidents include actual or perceived breaches of privacy, contaminated products, broistas infected with communicable diseases, or other potential incidents discussed in this Risk Factors section. The impact of such incidents may be exacerbated if they receive considerable publicity, including rapidly through social or digital media (including for malicious reasons), or result in litigation. Consumer demand for our products and our brand equity could diminish significantly if we, our employees, franchise partners, or other business partners fail to preserve the quality of our products, act or are perceived to act in an unethical, illegal, racially-biased, unequal or socially irresponsible manner, including with respect to the sourcing, content or sale of our products, service and treatment of customers at Dutch Bros shops, or the use of customer data for general or direct marketing or other purposes. Additionally, if we fail to comply with laws and regulations, publicly take controversial positions or actions or fail to deliver a consistently positive consumer experience in each of our markets, including by failing to invest in the right balance of wages and benefits to attract and retain employees that represent the brand well, our brand value may be diminished.

Moreover, our success depends in large part upon our ability to maintain our corporate reputation. For example, the reputation of our Dutch Bros brand could be damaged by claims or perceptions about the quality or safety of our ingredients or beverages or the quality or reputation of our suppliers, distributors, or franchise partners or by claims or perceptions that we, our franchise partners, or other business partners have acted or are acting in an unethical, illegal, racially-biased, or socially irresponsible manner, regardless of whether such claims or perceptions are substantiated. Our corporate reputation could also suffer from negative publicity or consumer sentiment regarding Dutch Bros' action or inaction or brand imagery, or a real or perceived failure of corporate governance or misconduct by any officer or any employee or representative of us or a franchise partner. Our corporate reputation could suffer from negative publicity or consumer sentiment regarding our charitable giving practices, campaigns, and marketing around such campaigns, including any change to our charitable giving practices or long-standing giveback days ("Drink One for Dane," "Dutch Luv," and "Buck for Kids"). We empower our operators and franchise partners to create their own local, shop-specific giveback programs within their communities. If the recipient of discretionary donations is subject to negative publicity or consumer sentiment, Dutch Bros could experience the same. Any such incidents (even if resulting from actions of a competitor or franchise partner) could cause a decline directly or indirectly in consumer confidence in, or the perception of, our Dutch Bros brand and/or our products and reduce consumer demand for our products, which would likely result in lower revenue and profits.

Ongoing public and government scrutiny of environmental, social, and corporate governance matters or our reporting of such matters could negatively impact our business.

There has been an ongoing public focus, including from the United States federal and state governments, on ESG matters, including with respect to climate change, greenhouse gases, water resources, packaging and waste, animal health and welfare, deforestation, and land use. We are working to manage the risks and costs to us, our franchise partners and our supply chain associated with these types of ESG matters, however, there is no assurance that such efforts will result in the intended effective management of such risks and costs. In addition, as the result of such focus on ESG matters, we may face increased pressure to provide expanded disclosure, make or expand commitments, set targets, or establish additional goals and take actions to meet such goals, in connection with such ESG matters. These matters and our efforts to address them could expose us to market, operational, reputational, and execution costs or risks.

As ESG best practices and reporting standards continue to develop, we may incur increasing costs relating to ESG monitoring and reporting and complying with ESG initiatives. For example, California's recent SB 261 and SB 253 would require us to make certain new disclosures around environmental impact and risk. In the event that we communicate certain initiatives or goals regarding ESG matters in the future, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. If we fail to satisfy the expectations of certain investors and other stakeholders or our initiatives are not executed as planned, our business, financial condition, results of operations, and prospects may be adversely affected.

We may not be able to adequately protect our intellectual property, including trademarks, trade names, and service marks, which, in turn, could harm the value of our brand and adversely affect our business.

Our ability to implement our business plan successfully depends in part on our ability to further build brand recognition using our trademarks, service marks, proprietary products, and other intellectual property, including our name and logos and the unique character and atmosphere of our Dutch Bros shops. We rely on U.S. and foreign trademark, copyright, and trade secret laws, as well as license agreements, nondisclosure agreements, and confidentiality and other contractual provisions to protect our intellectual property. Nevertheless, our competitors may develop similar marks, menu items, and concepts, and adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and other intellectual property.

The success of our business depends on our continued ability to use our existing trademarks, trade names, and service marks to increase brand awareness and further develop our brand as we expand into new markets. We have registered and applied to register trademarks and service marks in the United States and in foreign jurisdictions. We may not be able to adequately protect our trademarks and service marks, and our competitors and others may successfully challenge the validity and/or enforceability of our trademarks and service marks and other intellectual property. There can also be no assurance that pending or future trademark applications will be approved in a timely manner or at all, or that such registrations will effectively protect our brand names and trademarks.

Additionally, the steps we have taken to protect our intellectual property in the United States and internationally may not be adequate. If our efforts to maintain and protect our intellectual property are inadequate, or if any third party misappropriates, dilutes, or infringes on our intellectual property, the value of our brand may be harmed, which could have a material adverse effect on our business and might prevent our brand from achieving or maintaining market acceptance. We license our intellectual property to third parties with whom we do business, which could result in misuse of our intellectual property and harm to our brand. Even with our own franchise partners, whose activities are, to some extent, monitored and regulated through our franchise agreements, we face risk that they may refer to or make statements about our Dutch Bros brand that do not make proper use of our trademarks or required designations, that improperly alter trademarks or branding, or that are critical of our brand or place our brand in a context that may tarnish our reputation. This may result in dilution of, or harm to, our intellectual property or the value of our brand.

We may also from time to time be required to institute enforcement action, including litigation, to enforce and preserve the value of our trademarks, service marks and other intellectual property. Such litigation could result in substantial costs and diversion of resources and could negatively affect our sales, business, profitability, and prospects regardless of whether we can successfully enforce our rights.

Third parties may oppose our trademark and service mark applications, or otherwise challenge our use of the trademarks and service marks. This risk may increase as we enter new markets with localized competitors. In the event that these or other intellectual property rights are successfully challenged, we could experience brand dilution or be forced to rebrand our products, which would result in loss of brand recognition and would require us to devote resources to advertising and marketing new brands. Third parties may also assert that we infringe, misappropriate, or otherwise violate their intellectual property and may sue us for intellectual property infringement. Even if we are successful in these proceedings, we may incur substantial costs, and the time and attention of our management and other personnel may be diverted in pursuing these proceedings. If a court finds that we infringe a third party's intellectual property, we may be required to pay damages and/or be subject to an injunction. With respect to any third-party intellectual property that we use or wish to use in our business (whether or not asserted against us in litigation), we may not be able to enter into licensing or other arrangements with the owner of such intellectual property at a reasonable cost or on reasonable terms.

Food safety and quality concerns may negatively impact our brand, business, and profitability, our internal operational controls and standards may not always be met, and our employees may not always act professionally, responsibly, and in our and our customers' best interests. Any possible instances or reports, whether true or not, of food and/or beverage-borne illness could negatively affect our brand and reduce our sales.

Incidents or reports, whether true or not, of food-borne or water-borne illness or other food safety issues, food contamination or tampering, employee hygiene and cleanliness failures, allergen cross-contamination, or improper employee conduct at our shops could lead to product liability or other claims. Such incidents or reports could negatively affect our brand and reputation as well as our business, revenue, and profits. Validated food safety issues could also result in regulatory action and may lead to a recall of impacted offerings. Similar incidents or reports occurring at coffee and convenience shops unrelated to us could likewise create negative publicity, which could negatively impact consumer behavior towards us.

We cannot guarantee to customers that our internal controls and training will be fully effective in preventing all food-borne illnesses. Our new strategic initiatives, such as hot food, may require new or increased food safety measures, which we may not be successful in implementing. In addition, we rely on third party vendors to supply our ingredients and, in some cases, to assemble and package our products, whose practices and any resulting food safety and quality concerns could negatively impact our business New illnesses resistant to our, or our third party vendors', current precautions may develop in the future, or diseases with long incubation periods could arise, that could give rise to claims or allegations on a retroactive basis. One or more instances of food-borne illness in one of our company-operated or franchised shops could negatively affect sales at all our shops if highly publicized. This risk exists even if it were later determined that the illness was wrongly attributed to one of our shops. Additionally, even if food-borne illnesses were not identified at our shops, our sales could be adversely affected if instances of food-borne illnesses at other coffee and beverage chains were highly publicized.

If we, our franchise partners, or our vendors are unable to protect our customers' credit and debit card data or confidential information in connection with processing the same or confidential employee information, we could be exposed to data loss, litigation, liability, and reputational damage.

Our business requires the collection, transmission and retention of large volumes of customer and employee data, including credit and debit card numbers and other personally identifiable information, in various information technology systems that we maintain and in those maintained by third parties with whom we contract to provide services. The integrity and protection of that customer and employee data is critical to us.

We are subject to rules governing electronic funds transfers, including the Payment Card Industry Data Security Standard (PCI DSS) as discussed further below. Such rules could change or be reinterpreted to make it difficult or impossible for us to comply. If we (or a third party processing payment card transactions on our behalf) suffer a security breach affecting payment card information, we may have to pay onerous and significant fines, penalties and assessments arising out of the major card brands’ rules and regulations, contractual indemnifications or liability contained in merchant agreements and similar contracts, and we may lose our ability to accept payment cards as payment for transactions, which could materially impact our operations and financial performance.

The information, security and privacy requirements imposed by governmental regulation are increasingly demanding. Our systems may not be able to satisfy these changing requirements and customer and employee expectations or may require significant additional investments or time in order to do so. Efforts to hack or breach security measures, failures of systems or software to operate as designed or intended, viruses, operator error or inadvertent releases of data all threaten our and our service providers' information systems and records. A breach in the security of our information technology systems or that of our service providers could lead to an interruption in the operation of our systems, resulting in operational inefficiencies and a loss of profits. For example, in 2014, our online store and our customers were the victims of a security breach and as a result a few thousand of our customer’s personal information records were exposed. Additionally, a significant theft, loss or misappropriation of, or access to, customers’ or other proprietary data or other breach of our information technology systems could result in fines, legal claims or proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, which could disrupt our operations, damage our reputation and expose us to claims from customers and employees, any of which could harm our business.

We are subject to payment-related fraud and an increase in or failure to deal effectively with fraud, fraudulent activities, fictitious transactions, or illegal transactions would materially and adversely affect our business, results of operations, and financial condition.

We process a significant volume of credit and debit card transactions on a daily basis through our point of sale and order management systems and our Dutch Rewards mobile app. We have in the past, and may again in the future, be the victim of fraudulent transactions arising out of the actual or alleged theft of credit or debit card information through such systems. Such instances have and can lead to the reversal of payments received by us for such payments, referred to as a “chargeback.” We have been and will likely continue to be liable for chargebacks and other costs and fees related to fraudulent transactions. Our ability to detect and combat such fraudulent transactions, which have become increasingly common and sophisticated, could be adversely impacted by the emergence and innovation of new technology platforms, including mobile and other devices. We expect that technically knowledgeable criminals will continue to attempt to circumvent our anti-fraud systems. In addition, the payment card networks have rules around acceptable chargeback ratios. If we are unable to effectively combat the use of fraudulent or stolen credit cards, we may be subject to fines and higher transaction fees or be unable to continue to accept card payments because payment card networks have revoked our access to their networks, any of which would materially adversely impact our business, results of operations, and financial condition. We may also be subject to lawsuits, regulatory investigations, or other proceedings relating to these types of incidents.

Further, payments systems we use are susceptible to potentially illegal or improper uses, including money laundering, transactions in violation of economic and trade sanctions, corruption and bribery, terrorist financing, customer account takeovers, or the facilitation of other illegal activity. Use of our payments systems for illegal or improper uses could subject us to claims, lawsuits, and government and regulatory investigations, inquiries, or requests, which could result in liability and reputational harm for us. We have taken measures to detect and reduce fraud and illegal activities, but these measures need to be continually improved and may add friction to our payment processes. These measures may also not be effective against fraud and illegal activities, particularly new and continually evolving forms of circumvention. If these measures do not succeed in reducing fraud, our business, results of operations, and financial condition would be materially and adversely affected.

Risks Related to People and Culture

Changes in the availability of and the cost of labor could harm our business.

Our business could be harmed by increases in labor costs, including those increases triggered by inflation, regulatory actions regarding wages, scheduling and benefits, and increased health care and workers' compensation insurance costs, which, in a retail business such as ours, are some of our most significant costs. In particular, our broistas are typically paid wage rates at or based on the applicable federal, state, or local minimum wage, and increases in the applicable minimum wage have in the past and will increase labor costs. From time to time, legislative proposals are made to increase the minimum wage at the federal, state, and local level, such as Assembly Bill 1228 in California, which created a minimum wage of $20 per hour for fast food workers, effective April 1, 2024, among other provisions. As federal, state, or other applicable minimum wage rates increase, we may be required to increase not only the wage rates of minimum wage broistas or other employees, but also the wages paid to other hourly employees. As part of our focus on building long-term customer loyalty, we do not typically expect our customers to bear the entire burden of increased labor and commodity costs and, when possible, we do not increase prices in order to pass increased labor or commodity costs on to customers, as we believe such price increases would negatively impact our brand and consumer loyalty. If we do not increase prices to cover increased labor or commodity costs, or if such increase is delayed, this is likely to result in lower revenue, and may also reduce margins.

Furthermore, the successful operation of our business depends upon our, and our franchise partners', ability to attract, motivate, and retain a sufficient number of qualified employees. From time to time, there may be a shortage of qualified employees in certain of the communities in which we operate or to which we expand. Shortages may make it increasingly difficult and expensive to attract, train, and retain the services of a satisfactory number of qualified employees, which could delay the planned openings of new company-operated and franchised shops and adversely impact the operations and profitability of existing shops. Changing conditions beyond our control, including the potential effects of climate change, could affect the desirability of working in our shops, such as increases in extreme heat or cold, wildfire smoke, and other extreme weather events that make working outdoors or in a limited space more difficult. Furthermore, competition for qualified employees, particularly in markets where such shortages exist, could require us to pay higher wages, which could result in higher labor costs. Accordingly, if we and our franchise partners are unable to recruit and retain sufficiently qualified individuals, our business could be harmed.

Additionally, the growth of our business can make it increasingly difficult to locate and hire sufficient numbers of key employees, to maintain an effective system of internal controls for a dispersed chain, and to train employees to deliver consistently high-quality hand-crafted beverages and customer experiences, which could materially harm our business and results of operations. In addition, growth and the addition of new shops may result in inefficiencies in our staffing, which can increase overtime costs or otherwise impact profitability.

We depend on our executive officers and other key employees, and the loss of one or more of these employees or an inability to attract and retain other highly skilled employees could harm our business.

Our success depends largely upon the continued services of our executive officers and other key employees, and the hiring and retention of additional executives and other key personnel. We rely on our leadership team in the areas of finance, marketing, sales, customer experience, and selling, general and administrative. As we look to expand our business and strengthen the depth of our senior management team, we expect there will be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. In February 2025, Brian Cahoe was appointed our Chief Development Officer, a newly-created management role. Additionally, in June 2025, Sumi Ghosh, our former President of Operations, separated from the Company, and in January 2026, Jennifer Somers was appointed our Chief Shops Officer, a newly created management role. Changes in our executive management team may also cause disruptions in, and harm to, our business. The loss of one or more of our executive officers or key employees could harm our business.

Dutch Bros continues to be led by our Executive Chairman and Co-Founder, Travis Boersma, who plays an important role in driving our culture, determining the strategy, and executing against that strategy across the Company. If Mr. Boersma’s services became unavailable to Dutch Bros for any reason, it may be difficult or impossible for us to find an adequate replacement, which could cause us to be less successful in maintaining our culture and developing and effectively executing on our company strategies.

Our culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the high employee engagement fostered by our culture, which could harm our business.

At Dutch Bros, we believe our people-first culture is a critical component of our success and customer loyalty. The success of this differentiated people-first culture and serving hand-crafted, high-quality beverages through the convenience of a premium drive-thru experience has helped us enter new markets and rapidly open new shops. We have invested substantial time and resources in developing pathways for our employees to create their own compelling future, which we believe has fostered the positive, people-first culture that defines our organization and is enjoyed by our customers. We have built out our leadership team with an expectation of protecting this culture and an emphasis on shared values. In 2024 and 2025, we shifted a majority of our total support staff to our Phoenix, Arizona office, which may create additional challenges maintaining our corporate culture. As we continue to develop and expand across the United States, we will need to maintain our culture among a larger number of employees dispersed in various geographic regions. Any failure to preserve our company culture could negatively affect our future success, including our ability to retain and recruit personnel, and result in a loss of customer loyalty.

Unionization activities may disrupt our operations and affect our profitability.

Although none of our employees are currently covered under collective bargaining agreements, our employees may elect to be represented by labor unions in the future. If a significant number of our employees were to become unionized and collective bargaining agreement terms were significantly different from our current compensation arrangements, it could adversely affect our business, financial condition, or results of operations. In addition, one or more labor disputes involving some or all of our employees may harm our reputation, disrupt our operations and reduce our revenue, and resolution of disputes may increase our costs. Further, if we enter into a new market with unionized construction companies, or the construction companies in our current markets become unionized, construction and build out costs for new shops in such markets could materially increase.

Risks Related to Regulation and Litigation

Changes in statutory, regulatory, accounting, and other legal requirements, including changes in accounting principles generally accepted in the United States, could potentially impact our operating and financial results.

We are subject to numerous statutory, regulatory, and legal requirements. Our operating results could be negatively impacted by developments in these areas due to the costs of compliance in addition to possible government penalties and litigation in the event of deemed noncompliance. Changes in the regulatory environment in the area of food safety, wage and hour laws, or environmental impact and risk reporting, among others, could potentially impact our operations and financial results.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

Moreover, while we believe that we maintain insurance customary for businesses of our size and type, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Such losses could harm our business.

Fluctuations in our tax obligations and effective tax rate and realization of our deferred tax assets may result in volatility of our operating results and adversely affect our financial condition.

We are subject to taxes by the U.S. federal, state, and local tax authorities, and our tax liabilities will be affected by the allocation of expenses to differing jurisdictions. We record tax expense based on our estimates of future payments, which may include reserves for uncertain tax positions in multiple tax jurisdictions, and valuation allowances related to certain net deferred tax assets. At any one time, many tax years may be subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. We expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowance;
- changes in tax laws, regulations, or interpretations thereof; or
- future earnings being lower than anticipated in jurisdictions where we have lower statutory tax rates and higher than anticipated earnings in jurisdictions where we have higher statutory tax rates.

In addition, our effective tax rate in a given financial statement period may be materially impacted by a variety of factors including but not limited to changes in the mix and level of earnings and the varying tax rates in the different jurisdictions in which we operate, fluctuations in the valuation allowance, or changes to existing accounting rules or regulations. Further, tax legislation may be enacted in the future which could negatively impact our current or future tax structure and effective tax rates. We may be subject to audits of our income, sales, and other transaction taxes by U.S. federal, state, and local taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

We are subject to many federal, state, and local laws with which compliance is both costly and complex.

The food service and restaurant industry is subject to extensive federal, state, and local laws and regulations, including those relating to health care reform, building and zoning requirements, and the preparation and sale of food and beverages for consumption. Such laws and regulations are subject to change from time to time. Our failure to comply with these laws and regulations as they evolve could adversely affect our operating results. Typically, licenses, permits, and approvals under such laws and regulations must be renewed annually and may be revoked, suspended, or denied renewal for cause at any time if governmental authorities determine that our conduct violates applicable regulations. Difficulties or failure to maintain or obtain the required licenses, permits, and approvals could adversely affect our existing shops and delay or result in our decision to cancel the opening of new shops, which would adversely affect our business.

The development and operation of a shop depends, to a significant extent, on the selection of suitable sites for drive-thrus, which are subject to unique permitting, zoning, land use, environmental, traffic, and other regulations and requirements. Drive-thru concepts in general may not be seen as desirable in some jurisdictions, and the long lines that may result from the popularity of our brand and success of our shops may lead to negative perceptions from neighboring businesses and residences, which may lead to difficulties in obtaining or maintaining required permits. We are also subject to licensing and regulation by state and local authorities relating to health, sanitation, safety, and fire standards.

We are subject to the Fair Labor Standards Act and various other federal, state and local laws that regulate the wages and hours of employees. These laws commonly apply a strict liability standard so that even inadvertent noncompliance can lead to claims, government enforcement actions, and litigation. These laws vary from state to state and are subject to frequent amendments and judicial interpretations that can require rapid adjustments to operations. Insurance coverage for violations of these laws is costly and sometimes is not available. Changes to these laws can adversely affect our business by increasing labor and compliance costs. The failure to comply with these laws could adversely affect our business as a result of costly litigation or government enforcement actions.

We are also subject to a variety of other employee relations laws including Family and Medical Leave Act of 1933 and state leave laws, employment discrimination laws, predictive scheduling laws, occupational health and safety laws and regulations, and the National Labor Relations Act of 1935, to name a few. Together, these many laws and regulations present a thicket of compliance obligations and liability risks. As we grow, our compliance efforts in these areas will continue to increase, which may result in additional costs and affect our results from operations. Changes to these laws and regulations may increase these costs beyond our expectations or predictions, which would adversely affect our business operations and financial results. Violations of these laws could lead to costly litigation or governmental investigation or proceedings.

We are subject to compliance obligations of the Food Safety Modernization Acts (FSMA). Under FSMA, we are required to develop and implement a Food Safety Plan for our roasting operations. While we are not currently required to implement a FSMA Food Safety Plan or a Hazard Analysis and Critical Points system (HACCP) in our shops, many states have required restaurants to develop and implement HACCP. Additionally, our suppliers may initiate or otherwise be subject to food recalls that may impact the availability of certain products, result in adverse publicity or require us to take actions that could be costly for us or otherwise impact our business.

We are subject to evolving state-level Extended Producer Responsibility (EPR) laws and circular economy regulations. These laws, which vary significantly by jurisdiction, require us to take financial or physical responsibility for the end-of-life management of our packaging and single-use products. Compliance with these mandates often requires us to join and fund Producer Responsibility Organizations (PROs), pay significant environmental fees based on material volume, and implement complex tracking and reporting systems for all packaging materials used in our shops. The lack of a uniform federal standard and the rapid adoption of divergent requirements across different states create a fragmented regulatory landscape that is both costly and difficult to navigate. If we are unable to efficiently manage these requirements or if the cost of compliance exceeds our projections, it could materially increase our packaging costs and adversely affect our results of operations.

We are subject to the Americans with Disabilities Act (the ADA), which, among other things, requires our shops to meet federally mandated requirements for the disabled. The ADA prohibits discrimination in employment and public accommodations on the basis of disability. Under the ADA, we could be required to expend funds to modify our shops to provide service to, or make reasonable accommodations for the employment of, disabled persons. In addition, our employment practices are subject to the requirements of the Immigration and Naturalization Service relating to citizenship and residency.

In addition, our franchise activities are subject to laws enacted by a number of states and rules and regulations promulgated by the Federal Trade Commission (the FTC). Failure to comply with new or existing franchise laws, rules, and regulations in any jurisdiction or to obtain required government approvals could negatively affect our franchising activities and our relationships with our franchisees.

The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, or our inability to respond effectively to significant regulatory or public policy issues, could increase our compliance and other costs of doing business and, therefore, have an adverse effect on our results of operations. Failure to comply with the laws and regulatory requirements of federal, state, and local authorities could result in, among other things, revocation of required licenses, administrative enforcement actions, fines, and civil and criminal liability. In addition, certain laws, including the ADA, could require us to expend significant funds to make modifications to our shops if we failed to comply with applicable standards. Compliance with all these laws and regulations can be costly and can increase our exposure to litigation or governmental investigations or proceedings.

We (and the third parties with whom we work) are subject to stringent and changing laws, regulations, industry standards, contractual obligations, policies, and other obligations related to data privacy and security. The actual or perceived failure by us or the third parties with whom we work to comply with such obligations, may harm our business, financial condition and results of operations, and prospects.

We Process Sensitive Information to provide our products and services and other business functions. Our Processing activities may subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contracts, and other obligations that govern data privacy, security, and Processing of personal information by us and the third parties with whom we work.

Data privacy and security have become a significant issue in the United States. The legal and regulatory framework for data privacy and security issues is rapidly evolving and is expected to increase our compliance costs and exposure to liability. The number and scope of data privacy and security obligations is changing, subject to differing applications and interpretations, and may be inconsistent among jurisdictions, or in conflict with other obligations. We expect that there will continue to be new data privacy and security obligations, and any significant change to data privacy and security obligations could increase compliance costs for us and the third parties with whom we work and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that Process personal information on our behalf. In addition, these obligations may require us to change our business model.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal information privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). Additional data privacy and security laws include the Telephone Consumer Protection Act (TCPA), the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the California Consumer Privacy Act, as amended (the CCPA), other state, local, and federal laws relating to data privacy and security, and rules and regulations promulgated under the authority of the Federal Trade Commission. In the past few years, numerous states in the United States have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal information. As applicable, such rights include the right to access, correct, or delete certain personal information, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain state laws also impose stricter requirements for processing certain personal information, including sensitive personal data, such as data protection impact assessments. These state laws allow for statutory fines for noncompliance. For example, the CCPA applies to personal information of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain privacy rights. The CCPA provides for fines and allows private litigants affected by certain data breaches to seek to recover potentially significant statutory damages. In addition, other data privacy and security laws have been proposed at the federal, state, and local levels in recent years, which could further complicate compliance efforts.

In addition, we are subject to the terms of our external and internal privacy and security policies, marketing materials, and other statements, such as compliance with certain certifications, industry standards, publications and frameworks and contractual obligations to third parties related to data privacy, security and Processing of Sensitive Information. If regulators in the United States are increasingly scrutinizing these statements, and if these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

We are also contractually subject to data privacy and security obligations, including contractual obligations to indemnify and hold harmless third parties from the costs or consequences of non-compliance with data privacy laws or other related obligations and to comply with industry standards adopted by industry groups. We may become subject to new data privacy and security contractual obligations in the future. Additionally, because we accept payments using credit cards and debit cards, we are subject to the PCI DSS. The PCI DSS requires companies to adopt certain measures to ensure the security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Noncompliance with the PCI DSS can result in penalties ranging from $5,000 to $100,000 per month by credit card companies, litigation, damage to our reputation, and revenue losses. We may also rely on third parties to process payment card data, and those third parties may be subject to PCI DSS. Our business may be negatively affected if these third parties are fined or suffer other consequences as a result of PCI DSS noncompliance (or perceived noncompliance).

Furthermore, we rely on a variety of marketing techniques and practices, including email and social media marketing, online targeted advertising, and cookie-based Processing, to sell our products and services and to attract new customers. We, and the third parties with whom we work, may be subject to various current and future obligations that govern marketing and advertising practices. For example, some of our data processing practices have been and may in the future be subject to challenges or lawsuits under data privacy and communications laws, including for example under wiretapping laws, if we share consumer information with third parties through various methods, including chatbot and session replay providers, cookies, or via third-party marketing pixels. These practices may be subject to increased challenges by class action plaintiffs. Our inability or failure to obtain consent for these practices could result in adverse consequences, including class action litigation and mass arbitration demands. Additionally, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM) and the TCPA impose specific requirements on communications with customers. For example, the TCPA imposes various consumer consent requirements and other restrictions on certain telemarketing activity and other communications with consumers by phone, fax or text message. TCPA violations can result in significant financial penalties, including penalties or criminal fines imposed by the Federal Communications Commission or fines of up to $1,500 per violation imposed through private litigation or by state authorities.

Our employees and personnel may use generative AI technologies and/or automated decision-making to perform their work, and the disclosure and use of personal information in generative AI technologies is subject to various data privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws and regulations regulating generative AI technologies and/or automated decision-making tools. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use generative AI technologies, it could make our business less efficient and result in competitive disadvantages.

We use machine learning and AI, including generative AI, in our products and services. The development and use of AI technologies presents various privacy and security risks that may impact our business. AI technologies are subject to privacy and data security laws, as well as increasing regulation and scrutiny. Further, countries and states are applying their data and consumer protection laws to AI technologies, and particularly generative AI and interactive chatbots. Several jurisdictions have proposed, enacted, or are considering laws governing the development and use of AI technologies, such as the Colorado Artificial Intelligence Act and California Bot Disclosure Law. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our use of AI technologies. These obligations may make it harder for us to conduct our business using AI technologies, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI technologies, or prevent or limit our use of AI technologies.

We may at times fail to comply with applicable data privacy and security obligations, or may be perceived to have failed to do so. Moreover, despite our efforts, our employees, partners, or other third parties with whom we work may fail to comply with applicable data privacy and security obligations, which could negatively impact our business operations and our ability to achieve and maintain compliance. Any failure (or perceived failure) by us or a third party with whom we work to comply with applicable data privacy and security obligations could subject us to litigation (including class claims), mass arbitration demands, claims, proceedings, actions or investigations by governmental entities, authorities, private parties, or regulators; additional reporting requirements and/or oversight; bans on Processing personal information; and orders to destroy or not use personal information. In particular, plaintiffs have become increasingly active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per-violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of the foregoing could result in an adverse consequences, including increase our compliance and operational costs; limit our ability to market our products or services and attract new and retain current customers; result in reputational harm; lead to a loss of customers; reduce the use of our products or services; cause us to incur significant costs, expenses, and fees (including attorney fees); cause a material adverse impact to business operations or financial results; and otherwise result in other material harm to our business.

We and our franchise partners are subject to extensive government regulations that could result in claims leading to increased costs and restrict our ability to operate franchises.

We and our franchise partners are subject to extensive government regulation at the federal, state and local government levels, including by the FTC. These include, but are not limited to, regulations relating to the preparation and sale of beverages, zoning and building codes, franchising, land use, and employee, health, sanitation and safety matters. We and our franchise partners are required to obtain and maintain a wide variety of governmental licenses, permits and approvals. Local authorities may suspend or deny renewal of our governmental licenses if they determine that our operations do not meet the standards for initial grant or renewal. Difficulty or failure in obtaining them in the future could result in delaying or canceling the opening of new shops and thus could harm our business. Any such failure could also subject us to liability from our franchise partners.

Additionally, governmental authorities may adopt broad standards for determining when two or more entities may be deemed joint employers of the same employees. For example, the federal PRO Act has been reintroduced and would codify the Browning-Ferris decision that redefined joint employment to include a broader category of conduct by the franchisor, while the introduced federal American Franchise Act would amend the National Labor Relations Act by providing definitions as to when a franchisor is considered to exercise substantial direct and immediate control over a franchisee’s employees. If the proposed or similar laws or rules come into effect, it could impact the possibility of Dutch Bros being held liable for our franchise partners’ employment practices.

Beverage and restaurant companies have been the target of class action lawsuits and other proceedings that are costly, divert management attention and, if successful, could result in our payment of substantial damages or settlement costs.

Our business is subject to the risk of litigation by employees, customers, competitors, landlords, or neighboring businesses, suppliers, franchise partners, stockholders, or others through private actions, class actions, administrative proceedings, regulatory actions, or other litigation. For example, in March 2023, a putative class action lawsuit was filed alleging that Dutch Bros Inc. and certain of its executive officers made false or misleading statements about the impact of commodity inflation on our financial results, which lawsuit was followed by a number of stockholder derivative lawsuits based on substantially the same underlying factual allegations. While all claims in the above-described putative class action lawsuit were dismissed by the court with prejudice, and all stockholder derivative lawsuits based on substantially the same underlying factual allegations have been dismissed, the outcome of litigation, particularly class action and regulatory actions, is difficult to assess or quantify. In recent years, beverage and restaurant companies have also been subject to lawsuits, including class action lawsuits, alleging violations of federal and state laws regarding workplace and employment matters, discrimination, and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits have been instituted from time to time alleging violations of various federal and state wage and hour laws regarding, among other things, employee meal deductions, overtime eligibility of assistant managers and failure to pay for all hours worked. Any such lawsuits in which Dutch Bros, Dutch Bros OpCo, or any subsidiary thereof is named as a party may result in substantial expenses and/or damages, even if such lawsuits may ultimately be decided in our favor.

Occasionally, our customers file complaints or lawsuits against us alleging that we are responsible for some illness or injury they suffered at or after a visit to one of our shops, including actions seeking damages resulting from food-borne illness or accidents in our shops. We also could be subject to a variety of other claims from third parties arising in the ordinary course of our business, including contract claims. The food service and restaurant industry has also been subject to a growing number of claims that their menus and actions have led to the obesity of certain of their customers.

Occasionally, we and our franchise partners are involved in disputes with neighbors, government officials, and landlords over the lines of cars attempting to visit our shops. These disputes have led to and could lead to the loss or changing of locations, changes to hours and operations, and costly litigation. If we are unable to reach agreement in future disputes or to alleviate pressure on certain shops by building additional shops or making operational changes, we may be required to close locations or alter operations at some locations. Lost sales and royalty payments caused by such closures or alterations, plus increased expenses from litigation, would harm our business.

Regardless of whether any claims against us are valid or whether we are liable, claims may be expensive to defend and may divert time and money away from our operations. In addition, they may generate negative publicity, which could reduce customer traffic and sales. Although we maintain what we believe to be adequate levels of insurance, insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of our insurance coverage for any claims or any adverse publicity resulting from claims could harm our business.

Legislation and regulations requiring the display and provision of nutritional information for our menu offerings, and new information, attitudes, or regulations regarding additives, diet and health or adverse opinions about the health effects of consuming our menu offerings, could affect consumer preferences and negatively impact our business, financial condition, and results of operations.

Government regulation and customer consumption habits may impact our business as a result of changes in attitudes regarding diet and health (including use of weight-loss or appetite-suppressing drugs such as those commonly known as GLP-1s) or new information regarding the health effects of consuming our menu offerings. These changes have resulted in, and may continue to result in, the enactment of laws and regulations that impact the ingredients and nutritional content of our menu offerings, or laws and regulations requiring us to disclose the nutritional content of our food offerings.

For example, a number of states, counties, and cities have enacted menu labeling laws requiring multi-unit restaurant operators to disclose certain nutritional information to customers, or have enacted legislation restricting the use of certain types of ingredients in food sold at restaurants. Furthermore, the Patient Protection and Affordable Care Act of 2010 (the PPACA) establishes a uniform, federal requirement for certain restaurants to post certain nutritional information on their menus. Specifically, the PPACA amended the Federal Food, Drug and Cosmetic Act to require certain chain restaurants to publish the total number of calories of standard menu items on menus and menu boards, along with a statement that puts this calorie information in the context of a total daily calorie intake. The PPACA also requires covered restaurants to provide to consumers, upon request, a written summary of detailed nutritional information for each standard menu item, and to provide a statement on menus and menu boards about the availability of this information. The PPACA further permits the Food and Drug Administration to require covered restaurants to make additional nutrient disclosures, such as disclosure of trans-fat content. More recently, U.S. regulatory authorities, including the Food and Drug Administration, have indicated their intent to restrict or prohibit the use of certain food dyes currently permitted for lawful use in the food supply by the end of 2026. The Food and Drug Administration continues to develop a revised post-market food chemical review program. In addition, the Food and Drug Administration is developing a proposed rule to increase oversight of food ingredients deemed Generally Recognized as Safe (GRAS), which, if finalized, would require mandatory submission of GRAS notices for food ingredients. GRAS reform legislation has also been introduced in Congress. Furthermore, an increasing number of states have proposed or enacted laws prohibiting or limiting the use of certain food and color additives and state enforcement actions and investigations into their use are underway. For example, in 2025, the Texas Attorney General's Office initiated multiple investigations into major food companies regarding the marketing of products containing artificial dyes, resulting in public commitments to remove such additives in the near term and, in one case, a legally binding agreement.by other brands are underway. Should such regulatory change affect the ingredients currently used in our products and we are unable to identify or secure comparable and cost-effective alternative ingredients, such change could have an adverse effect on our results of operations and financial position. An unfavorable report on, or reaction to, our current or future menu ingredients, the size of our portions, or the nutritional content of our menu items could negatively influence the demand for our offerings.

We cannot make any assurances regarding our ability to effectively respond to changes in customer health perceptions or our ability to successfully implement nutrient content disclosure requirements or other resulting regulations, including potential regulations around the use of certain ingredients, dyes, or other additives, or to adapt our menu offerings to trends in drinking and consumption habits. The imposition of menu-labeling laws, additional restrictions on certain food additives, and such other regulations could have an adverse effect on our results of operations and financial position, as well as the food service and restaurant industry in general.

We may be unable to identify all potential allergens present in our products at the time of purchase, whether they were introduced by us or by our third party vendors. This could result in the inability of some customers to purchase our products, or could result in negative health consequences for individuals sensitive to such allergens who choose to purchase our products regardless. A potentially serious allergic reaction to our products may result in negative public perception and could harm our business and results of operations.

In addition, social media has contributed to an increase in "secret menu" style drinks that are not created or marketed by us. Such drinks can be ordered by customers, for example, by asking for specific combinations of flavors or ingredients. We have no control over such trends, may not become timely aware of them, and may be unable to provide nutritional information for them. Such trends may also result in a mixture of ingredients in ways that could be perceived negatively, including with regard to health effects, and such perception could harm our business.

International trade policies, including tariffs, sanctions and trade barriers may adversely affect our business, financial condition, results of operations, and prospects.

Substantial new U.S. tariffs and other restrictive trade policies have created a dynamic and unpredictable trade landscape, which may adversely impact our business.

Current or future tariffs or other restrictive trade measures may significantly raise the costs of our imported green coffee beans and other goods, which may adversely impact our product offerings, operational expenses, and construction costs. Such cost increases may reduce our margins and require us to increase prices, which could harm our competitive position, reduce customer demand, and damage customer relationships. Our suppliers and distribution channels are also affected by the current trade environment, and we and they may experience supply chain disruptions as a result of increased costs and uncertainty, as well as risks to the long-term viability of key suppliers, which may impact our ability to meet customer demand or manage inventory efficiently. Tariff and other trade-related cost pressures and supply chain disruptions may lead to reputational harm if we are unable to supply our shops with sufficient products or supply products on expected timelines, or if any price increases are poorly received by customers. In addition, evolving trade policies, including tariffs and trade restrictions, may decrease consumer discretionary spending and result in decreased demand for our products.

Trade disputes, trade restrictions, tariffs and other geopolitical tensions between the U.S. and other countries may also exacerbate unfavorable macroeconomic conditions including inflationary pressures, foreign exchange volatility, financial market instability, and economic recessions or downturns, which may also necessitate pricing actions and result in a negative impact on customer demand for our products, limit expansion opportunities, limit our access to capital, or otherwise negatively impact our business and operations. Ongoing tariff, trade restrictions and macroeconomic uncertainty may contribute to volatility in the price of our Class A common stock.

Ongoing uncertainty regarding trade policies may also complicate our short- and long-term strategic planning, and that of our suppliers and distributors, including decisions regarding hiring, product strategy, capital investment, supply chain design, and geographic expansion.

While we continue to monitor trade developments, the ultimate impact of these risks remains uncertain and any prolonged economic downturn, escalation in trade tensions, or deterioration in international perception of U.S.-based companies could materially and adversely affect our business, results of operations, financial condition, and prospects. In addition, tariffs and other trade developments have and may continue to heighten the risks related to the other risk factors described in this Form 10-K.

Risks Related to Our Organizational Structure

Dutch Bros Inc. is a holding company, and its only material asset is its interest in Dutch Bros OpCo. Accordingly, Dutch Bros Inc. is dependent upon distributions from Dutch Bros OpCo to pay its taxes and expenses (including payments under the Tax Receivable Agreements) and to pay dividends.

Dutch Bros Inc. is a holding company, and has no material assets other than its ownership of OpCo Units. Dutch Bros Inc. has no independent means of generating revenue or cash flow, and its ability to pay taxes, operating expenses and dividends in the future, if any, will be dependent upon the financial results and cash flows of Dutch Bros OpCo and its subsidiaries and distributions received from Dutch Bros OpCo. There can be no assurance that Dutch Bros OpCo and its subsidiaries will generate sufficient cash flow to make such distributions, or that applicable state law and contractual restrictions, including negative covenants in our debt instruments, will permit such distributions.

We anticipate that Dutch Bros OpCo will continue to be treated as a partnership for U.S. federal income tax purposes and, as such, generally will not be subject to any entity-level U.S. federal income tax. Instead, taxable income will be allocated to holders of Dutch Bros OpCo Class A common units. Accordingly, Dutch Bros Inc. will incur income taxes on its allocable share of any net taxable income of Dutch Bros OpCo and will also incur expenses related to its operations, including payments under the Tax Receivable Agreements, which we expect could be significant. Furthermore, Dutch Bros Inc.'s economic interest in Dutch Bros OpCo will increase over time as the Continuing Members redeem or exchange their Dutch Bros OpCo Class A common units for shares of Class A common stock or cash, and, accordingly, Dutch Bros Inc.'s allocable share of Dutch Bros OpCo's net taxable income is expected to increase over time.

The OpCo LLC Agreement generally requires Dutch Bros OpCo to make pro rata cash distributions to the holders of Dutch Bros OpCo Class A common units, including Dutch Bros Inc., in amounts sufficient to (i) fund each holder's tax obligations in respect of allocations of taxable income from Dutch Bros OpCo and (ii) cover Dutch Bros Inc.'s operating expenses, including payments under the Tax Receivable Agreements. However, Dutch Bros OpCo's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which Dutch Bros OpCo or its subsidiaries is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering Dutch Bros OpCo insolvent. In addition, for taxable years beginning after December 31, 2017, liability for adjustments to a partnership's tax return can be imposed on the partnership itself in certain circumstances, absent an election to the contrary. Dutch Bros OpCo could be subject to material liabilities pursuant to adjustments to its partnership tax returns if, for example, its calculations or allocations of taxable income or loss are incorrect, which also could limit Dutch Bros OpCo's ability to make distributions to Dutch Bros Inc.

If Dutch Bros Inc. does not have sufficient funds to pay taxes or other liabilities or to fund its operations, we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that Dutch Bros Inc. is unable to make payments under the Tax Receivable Agreements for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivable Agreements and therefore accelerate payments due under the Tax Receivable Agreements. In addition, if Dutch Bros OpCo does not have sufficient funds to make distributions, Dutch Bros Inc.'s ability to declare and pay cash dividends will also be restricted or impaired.

Dutch Bros OpCo may make distributions of cash to Dutch Bros Inc. in excess of the amounts used by Dutch Bros Inc. to make distributions to its stockholders and pay its expenses (including taxes and payments under the Tax Receivable Agreements). In certain circumstances, such excess cash could cause the value of a share of Class A common stock to be deemed to increase relative to the value of a Dutch Bros OpCo Class A common unit, and if actions are not taken to address this issue the Continuing Members could benefit disproportionately from any additional value of a share of Class A common stock attributable to such cash if they exercise their redemption or exchange rights.

Distributions required under the OpCo LLC Agreement from Dutch Bros OpCo to Dutch Bros Inc. may in certain periods exceed Dutch Bros Inc.'s liabilities, including tax liabilities, obligations to make payments under the Tax Receivable Agreements, and other expenses. Dutch Bros Inc.'s board of directors will, subject to applicable restrictions in any contract or agreement, including debt agreements, or any applicable law, determine from time to time the use of any such cash in excess of its liabilities so accumulated, which may include, among other uses, holding such cash balance in Dutch Bros Inc., purchasing additional Class A common units, lending such cash to Dutch Bros OpCo for operations, or using such cash to pay dividends on its Class A common stock. Dutch Bros Inc. has no obligation to distribute such cash to its stockholders and may be restricted from making such distributions to its stockholders. See "Restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business, execute our growth strategy, and finance our future operations or capital needs or engage in other business activities."

If future cash distributions from Dutch Bros OpCo exceed Dutch Bros Inc.'s liabilities and Dutch Bros Inc. retains such excess cash balance, the shares of Class A common stock may be deemed to increase in value relative to the Dutch Bros OpCo Class A common units. If there is an increase in the relative value of a share of Class A common stock, Continuing Members could be viewed as disproportionately benefiting because the OpCo LLC Agreement and our certificate of incorporation provide that each Dutch Bros OpCo Class A common unit may be redeemed or exchanged for one share Class A common stock. For example, Continuing Members could disproportionately benefit in instances where they have received a tax distribution from Dutch Bros OpCo and subsequently redeem or exchange Dutch Bros OpCo Class A common units for shares of Class A common stock on a one-to-one basis when the value of the Class A common stock is increased relative to the Dutch Bros OpCo Class A common units as a result of Dutch Bros Inc. retaining any cash distribution from Dutch Bros OpCo in excess of Dutch Bros Inc.’s liabilities. If Dutch Bros Inc. retains such excess cash, we may implement measures to mitigate any arguable disproportionate benefits to Continuing Members and to maintain the equal value of Dutch Bros OpCo Class A common units relative to the shares of Class A common stock into which they are exchangeable. Such measures may require consent from Continuing Members, amendment to the OpCo LLC Agreement or our amended and restated certificate of incorporation or approvals required under our governing documents, third-party agreements, including our debt agreements, or applicable law. No assurance can be given that we will be able to obtain the required consents or approvals or that we will be able to maintain the equal value of Dutch Bros OpCo Class A common units and corresponding shares of Class A common stock at all times. To the extent we are unable to fully eliminate any value disparity, our Continuing Members may arguably disproportionately benefit if they acquire shares of Class A common stock in redemption or exchange of their Dutch Bros OpCo Class A common units.

The Tax Receivable Agreements with the Continuing Members and Pre-IPO Blocker Holders require Dutch Bros Inc. to make cash payments to them in respect of certain tax benefits to which it may become entitled, and such payments may be substantial.

In connection with the IPO, Dutch Bros Inc. entered into the Tax Receivable Agreements with the Continuing Members and the Pre-IPO Blocker Holders. These Tax Receivable Agreements provide for the payment by Dutch Bros Inc. to the Continuing Members and Pre-IPO Blocker Holders of 85% of the benefits, if any, that Dutch Bros Inc. is deemed to realize (calculated using certain assumptions) as a result of certain tax attributes and benefits covered by the Tax Receivable Agreements. The Exchange Tax Receivable Agreement provides for the payment by Dutch Bros Inc. to the Continuing Members of 85% of the benefits, if any, that Dutch Bros Inc. is deemed to realize (calculated using certain assumptions) as a result of (i) Dutch Bros Inc.’s allocable share of existing tax basis attributable to certain assets of Dutch Bros OpCo and its subsidiaries (including assets that will eventually be subject to depreciation or amortization once placed in service) at the time of any redemption or exchange of Dutch Bros OpCo Class A common units (including certain transactions in connection with the IPO) which tax basis is allocated to such redeemed or exchanged Dutch Bros OpCo Class A common units acquired by Dutch Bros Inc., (ii) adjustments that will increase the tax basis of the tangible and intangible assets of Dutch Bros OpCo and its subsidiaries as a result of Dutch Bros Inc.’s taxable acquisition of Dutch Bros OpCo Class A common units from the Continuing Members in connection with the IPO and in connection with future redemptions or exchanges of Dutch Bros OpCo Class A common units for shares of Class A common stock (or a corresponding amount of cash), (iii) disproportionate allocations (if any) of tax benefits to Dutch Bros Inc. under Section 704(c) of the Internal Revenue Code of 1986, as amended (the Code), as a result of Dutch Bros Inc.’s earlier acquisition of other Dutch Bros OpCo Class A common units in connection with the IPO and (iv) certain other tax benefits, including tax benefits attributable to payments under the Exchange Tax Receivable Agreement. The Reorganization Tax Receivable Agreement provides for the payment by Dutch Bros Inc. to Pre-IPO Blocker Holders of 85% of the benefits, if any, that Dutch Bros Inc. is deemed to realize (calculated using certain assumptions) as a result of (i) existing tax basis and certain adjustments to the tax basis of certain assets of Dutch Bros OpCo and its subsidiaries, in each case, that are attributable to Dutch Bros OpCo Class A common units acquired by Dutch Bros Inc. from the Blocker Companies in connection with the IPO, (ii) certain tax attributes of the Blocker Companies (including net operating losses, capital losses, research and development credits, work opportunity tax credits, excess Section 163(j) limitation carryforwards, charitable deductions, foreign Tax credits and any Tax attributes subject to carryforward under Section 381 of the Code), and (iii) certain other tax benefits, including tax benefits attributable to payments under the Reorganization Tax Receivable Agreement.

In each case, these increases in Dutch Bros Inc.’s allocable share of existing tax basis, the tax basis adjustments generated over time, and the application of Section 704(c) of the Code, may increase (for tax purposes) depreciation and amortization deductions allocated to Dutch Bros Inc.; and, therefore, may reduce the amount of tax that Dutch Bros Inc. would otherwise be required to pay in the future. Actual tax benefits realized by Dutch Bros Inc. may differ from tax benefits calculated under the Tax Receivable

Agreements as a result of the use of certain assumptions in the Tax Receivable Agreements, including the use of an assumed weighted-average state and local income tax rate to calculate tax benefits. The payment obligations under the Tax Receivable Agreements are an obligation of Dutch Bros Inc., but not of Dutch Bros OpCo. While the amount of existing tax basis, the anticipated tax basis adjustments, the application of Section 704(c) of the Code, and the actual amount and utilization of tax attributes, as well as the amount and timing of any payments under the Tax Receivable Agreements, will vary depending upon a number of factors, including the timing of redemptions and exchanges, the price of shares of our Class A common stock at the time of redemptions and exchanges, the extent to which such redemptions and exchanges are taxable, and the amount and timing of our income, we expect that as a result of the size of the transfers and increases in the tax basis of the tangible and intangible assets of Dutch Bros OpCo and our possible utilization of tax attributes, including existing tax basis attributable to Dutch Bros OpCo Class A common units acquired in connection with the IPO, the payments that Dutch Bros Inc. may make under the Tax Receivable Agreements may be substantial. The payments under the Tax Receivable Agreements are not conditioned upon continued ownership of Dutch Bros Inc. by the exchanging holders of Dutch Bros OpCo Class A common units or the Pre-IPO Blocker Holders.

Payments under the Tax Receivable Agreements will be based on the tax reporting positions that we determine, and the Internal Revenue Service (IRS) or another tax authority may challenge all or part of the tax basis increases, as well as other related tax positions we take, and a court could sustain such challenge. The Continuing Members and Pre-IPO Blocker Holders will not reimburse Dutch Bros Inc. for any payments previously made under the Tax Receivable Agreements if such basis increases or other tax benefits are subsequently disallowed, except that any excess payments made by Dutch Bros Inc. to the Continuing Members and Pre-IPO Blocker Holders will be netted against future payments that it might otherwise be required to make to them under the applicable Tax Receivable Agreements. However, a challenge to any tax benefits initially claimed may not arise for a number of years following the initial time of such payment or, even if challenged early, such excess cash payment may be greater than the amount of future cash payments that Dutch Bros Inc. might otherwise be required to make under the terms of the Tax Receivable Agreements and, as a result, there might not be sufficient future cash payments against which the prior payments can be fully netted. The applicable U.S. federal income tax rules are complex and factual in nature, and there can be no assurance that the IRS or a court will not disagree with our tax reporting positions. As a result, in certain circumstances Dutch Bros Inc. may make payments to the Continuing Members and Pre-IPO Blocker Holders under the Tax Receivable Agreements in excess of its actual cash tax savings. Therefore, payments could be made under the Tax Receivable Agreements in excess of the tax savings that we realize in respect of the tax attributes with respect to the Continuing Members and Pre-IPO Blocker Holders that are the subject of the Tax Receivable Agreements.

In certain cases, payments under the Tax Receivable Agreements may be accelerated and/or significantly exceed the actual benefits Dutch Bros Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreements.

Dutch Bros Inc.'s payment obligations under the Tax Receivable Agreements may be accelerated in the event of certain changes of control or certain material breaches of material obligations and will be accelerated in the event it elects to terminate the Tax Receivable Agreements early. The accelerated payments will relate to all relevant tax attributes that may subsequently be available to Dutch Bros Inc. The accelerated payments required in such circumstances will be calculated by reference to the present value (at a discount rate equal to the lesser of (i) 6.5% per annum and (ii) one year LIBOR, or its successor rate, plus 100 “basis points”) of all future payments that the Continuing Members and Pre-IPO Blocker Holders would have been entitled to receive under the Tax Receivable Agreements, and such accelerated payments and any other future payments under the Tax Receivable Agreements will utilize certain valuation assumptions, including that Dutch Bros Inc. will have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the Tax Receivable Agreements and sufficient taxable income to fully utilize any remaining net operating losses subject to the Tax Receivable Agreements on a straight line basis over the shorter of the statutory expiration period for such net operating losses and the five-year period after the early termination or change of control.

Accordingly, it is possible that the actual cash tax benefits realized by Dutch Bros Inc. may be significantly less than the corresponding Tax Receivable Agreement payments or that payments under the Tax Receivable Agreements may be made years in advance of the actual realization, if any, of the anticipated future tax benefits. There may be a material negative effect on our liquidity if the payments under the Tax Receivable Agreements exceed the actual cash tax benefits that Dutch Bros Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreements and/or payments to us from Dutch Bros OpCo are not sufficient to permit Dutch Bros Inc. to make payments under the Tax Receivable Agreements after it has paid taxes and other expenses. We may need to incur additional indebtedness to finance payments under the Tax Receivable Agreements to the extent our cash resources are insufficient to meet our obligations under the Tax Receivable Agreements as a result of timing discrepancies or otherwise, and these obligations could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations, or other changes of control.

The acceleration of payments under the Tax Receivable Agreements in the case of certain changes of control may impair our ability to consummate change of control transactions or negatively impact the value received by owners of our Class A common stock.

The Tax Receivable Agreements provide that upon certain mergers, asset sales or other forms of business combination, or certain other changes of control, Dutch Bros Inc.'s (or its successor's) obligations with respect to the Tax Receivable Agreements would be based on certain assumptions, including that we (or our successor) would have sufficient taxable income to fully utilize the benefits arising from the increased tax deductions and tax basis and other benefits covered by the Tax Receivable Agreements. Consequently, it is possible, in these circumstances, that the actual cash tax savings realized by us may be significantly less than the corresponding tax benefit payments under the Tax Receivable Agreements. Dutch Bros Inc.'s accelerated payment obligations and/or assumptions adopted under the Tax Receivable Agreements in the case of a change of control may impair our ability to consummate a change of control transaction or negatively impact the value received by owners of our Class A common stock in a change of control transaction.

If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the 1940 Act), as a result of our ownership of Dutch Bros OpCo, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an "investment company" for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of those sections of the 1940 Act.

As the sole managing member of Dutch Bros OpCo, we control and operate Dutch Bros OpCo. On that basis, we believe that our interest in Dutch Bros OpCo is not an "investment security" as that term is used in the 1940 Act. However, if we were to cease participation in the management of Dutch Bros OpCo or if Dutch Bros OpCo itself becomes an investment company, our interest in Dutch Bros OpCo, as applicable, could be deemed an "investment security" for purposes of the 1940 Act.

We and Dutch Bros OpCo intend to conduct our operations so that we will not be deemed an investment company. If it were established that we were an unregistered investment company, there would be a risk that we would be subject to monetary penalties and injunctive relief in an action brought by the SEC, that we would be unable to enforce contracts with third parties, and that third parties could seek to obtain rescission of transactions undertaken during the period it was established that we were an unregistered investment company. If we were required to register as an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Risks Related to Ownership of Our Class A Common Stock

Additional stock issuances (including pursuant to the redemption or exchange of Dutch Bros OpCo Class A common units from our Continuing Members) could result in significant dilution to our stockholders and cause the trading price of our Class A common stock to decline.

We may issue our capital stock or securities convertible into our capital stock from time to time in connection with financing our business operations and growth, to repay debt, or for acquisitions, investments, or otherwise (including pursuant to the redemption or exchange of Dutch Bros OpCo Class A common units from our Continuing Members). Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline.

In particular, following the issuance of shares of Class A common stock in connection with the redemption or exchange of Dutch Bros OpCo Class A common units from our Continuing Members (together with the cancellation of any shares of our Class B common stock or Class C common stock paired with such units), such shares of Class A common stock will have the same economic rights as other shares of Class A common stock. For example, in each of February, March, and June 2024, we facilitated registered underwritten public offerings of shares of our Class A common stock by our Sponsor. In connection with such offerings, our Sponsor exchanged an aggregate of approximately 19 million Dutch Bros OpCo Class A common units and converted an aggregate of approximately 6 million shares of our Class D common stock for approximately 25 million shares of our Class A common stock.

The trading price of our Class A common stock may be volatile, and you could lose all or part of your investment.

The price of our Class A common stock may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock. Factors that could cause fluctuations in the trading price of our Class A common stock include the risk factors set forth in this section as well as the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of competitors’ stocks;
- changes in operating performance and stock market valuations of other companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders, including the Continuing Members;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- changes in our financial, operating or other metrics, regardless of whether we consider those metrics as reflective of the current state or long-term prospects of our business, and how those results compare to securities analyst expectations, including whether those results fail to meet, exceed or significantly exceed securities analyst expectations;
- announcements by us or our competitors of new products or services;
- the public’s reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors’ businesses, or the competitive landscape generally;

- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or data security incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, franchises or other assets by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management; and
- general political and economic conditions and slow or negative growth of our markets.

In addition, in the past, following periods of volatility in the overall market and in the market price of a particular company’s securities, securities class action litigation has often been instituted against these companies. For example, in March 2023, a putative class action lawsuit was filed alleging that Dutch Bros Inc. and certain of its executive officers made false or misleading statements about the impact of commodity inflation on our financial results for the first quarter of 2022, which lawsuit was followed by a number of additional lawsuits based on substantially the same underlying factual allegations. While all claims in the above-described putative class action lawsuit were dismissed by the court with prejudice, and all additional lawsuits based on substantially the same underlying factual allegations have been withdrawn, other litigation, if instituted against us, could result in substantial costs and a diversion of our management’s attention and resources.

The multi-class structure of our common stock has the effect of concentrating voting control with our Co-Founder, limiting your ability to influence corporate matters.

Each share of our Class A common stock entitles its holder to one vote on all matters on which stockholders are entitled to vote generally. Our shares of Class B common stock have no economic rights but each share entitles its holder to ten votes (or such lower number as required to prevent the holders of Class B common stock from holding, in the aggregate, 80% or more of the aggregate voting power of Dutch Bros Inc. at any time) for so long as the aggregate number of outstanding shares of our Class B common stock represents at least 5% of the total outstanding shares of common stock, and thereafter, one vote per share on all matters on which stockholders are entitled to vote generally. All of our Class B common stock are held by certain Continuing Members affiliated with our Co-Founder.

Prior to the Secondary Offering in June 2024, our shares of Class C common stock and Class D common stock entitled its holder to three votes for each share (for so long as the aggregate number of outstanding shares of our Class C common stock and Class D common stock represents at least 5% of the total outstanding shares of common stock, and thereafter, one vote per share) on all matters on which stockholders are entitled to vote generally. As a result of the Secondary Offering in June 2024, the aggregate number of outstanding shares of our Class C common stock and Class D common stock represent less than 5% of the total outstanding shares of common stock. All of the outstanding shares of Class D common stock were converted into an equal number of shares of Class A common stock in June 2024 and there are no shares of Class D common stock outstanding. Pursuant to our amended and restated certificate of incorporation, our board of directors fixed September 30, 2024 as the date the number of votes per share of the remaining outstanding shares of Class C common stock was reduced to one vote per share. Our shares of Class C common stock have no economic rights. All of our Class C common stock are held by certain Continuing Members affiliated with our Sponsor.

The difference in voting rights could adversely affect the value of our Class A common stock by, for example, delaying or deferring a change of control or if investors view, or any potential future purchaser of our company views, the superior voting rights of the Class B common stock to have value. Because of the ten-to-one voting ratio between our Class B common stock, on the one hand, and our Class A common stock on the other hand, our Co-Founder, as the holder of all of our Class B common stock, will continue to control a majority of the combined voting power of our common stock and therefore be able to control all matters submitted to our stockholders so long as the shares held by our Co-Founder collectively represent at least a majority of the total voting power. This concentrated control will limit or preclude the ability of holders of Class A common stock to influence corporate matters for the foreseeable future.

As a public company utilizing a multi-class capital structure, FTSE Russell and Standard & Poor’s will not include our stock in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400 and S&P SmallCap 600, which together make up the S&P Composite 1500. Our multi-class capital structure makes us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our Class A common stock. In addition, we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and would make our Class A common stock less attractive to other investors. As a result, the trading price and volume of our Class A common stock could be adversely affected.

Our Co-Founder continues to have significant influence over us, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.

As of December 31, 2025, our Co-Founder beneficially owned approximately 73.1% of the combined voting power of our Class A common stock, Class B common stock, and Class C common stock (since June 2024, no shares of Class D common stock were outstanding). Each share of Class A common stock entitles the holder to one vote and each share of Class B common stock entitles the holder to ten votes (for so long as the aggregate number of outstanding shares of our Class B common stock represents at least 5% of the total outstanding common stock, and thereafter, one vote per share, provided that the number of votes per share may be adjusted from time to time in accordance with our amended and restated certificate of incorporation, as required to prevent the holders of Class B common stock from holding, in the aggregate, 80% or more of the aggregate voting power of Dutch Bros Inc. at any time). Thus, our Co-Founder exercises control over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including the election and removal of directors and the size of our board of directors, any amendment of our certificate of incorporation or bylaws or the approval of any merger or other significant corporate transaction, including a sale of substantially all our assets. It is possible that our Co-Founder’s interests may not align with the interests of our other stockholders.

Our Co-Founder owned approximately 27.1% of the Dutch Bros OpCo Class A common units as of December 31, 2025. Because he holds some of his ownership interest in our business directly in Dutch Bros OpCo, rather than through Dutch Bros Inc., our Co-Founder may have conflicting interests with holders of shares of our Class A common stock. For example, if Dutch Bros OpCo makes distributions to Dutch Bros Inc., the non-managing members of Dutch Bros OpCo will also be entitled to receive such distributions pro rata in accordance with their ownership of Dutch Bros OpCo Class A common units and their preferences as to the timing and amount of any such distributions may differ from those of our public stockholders. Our Co-Founder may also have different tax positions from Dutch Bros Inc. that could influence his decisions regarding whether and when to dispose of assets, especially in light of the existence of the Tax Receivable Agreements, whether and when to incur new or refinance existing indebtedness and whether and when Dutch Bros Inc. should terminate the Tax Receivable Agreements and accelerate its obligations thereunder. In addition, the structuring of future transactions may take into consideration our pre-IPO owners’ (pre-IPO Dutch Bros OpCo unitholders and Pre-IPO Blocker Holders) tax or other considerations even where no similar benefit would accrue to us.

We are a "controlled company" within the meaning of the New York Stock Exchange rules and, as a result, qualify for, and may rely on, exemptions and relief from certain corporate governance requirements. You do not have the same protections afforded to stockholders of companies that are subject to such requirements.

As of December 31, 2025, our Co-Founder beneficially owned approximately 73.1% of the combined voting power of our Class A common stock, Class B common stock, and Class C common stock. As a result, we are a "controlled company" within the meaning of the New York Stock Exchange corporate governance standards. Under these corporate governance standards, a company of which more than 50% of the voting power in the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements. For example, controlled companies are not required to have:

- a board that is composed of a majority of "independent directors," as defined under the New York Stock Exchange rules;
- a compensation committee that is composed entirely of independent directors; and
- director nominations be made, or recommended to the full board of directors, by its independent directors, or by a nominations/governance committee that is composed entirely of independent directors.

We have in the past, and may in the future, utilize one or more of these exemptions until we are no longer eligible for them. Accordingly, you do not have the same protections afforded to stockholders of companies that are subject to all the corporate governance requirements of the New York Stock Exchange.

Future sales of shares of our Class A common stock could cause the market price of our Class A common stock to decline.

Sales of a substantial number of shares of our Class A common stock in the public market, or the perception that these redemptions, exchanges or sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold based upon the price per share of the IPO, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares.

Subject to the terms of the OpCo LLC Agreement, as of December 31, 2025, an aggregate of 50,480,518 Dutch Bros OpCo Class A common units may be redeemed or exchanged for shares of our Class A common stock. Any shares we issue upon redemption or exchange of Dutch Bros OpCo Class A common units will be "restricted securities" as defined in Rule 144 and may not be sold in the absence of registration under the Securities Act of 1933, as amended (Securities Act) unless an exemption from registration is available, including the exemptions contained in Rule 144.

However, all such shares are now eligible for resale in the public market, subject, in the case of shares held by our affiliates, to volume, manner of sale, and other limitations under Rule 144.

Our trading price and trading volume could decline if securities or industry analysts do not publish research about our business, or if they publish unfavorable research.

The trading market for our Class A common stock relies in part on the research and reports that equity research analysts publish about us or our business. A lack of adequate research coverage may harm the liquidity and trading price of our Class A common stock. We do not have any control over the content and opinions included in their reports. The trading price of our Class A common stock could decline if one or more equity research analysts downgrade our stock or publish other unfavorable commentary or research. If one or more equity research analysts cease coverage of our company, or fail to regularly publish reports on us, the demand for our Class A common stock could decrease, which in turn could cause our trading price or trading volume to decline.

General Risks

Our results may fluctuate significantly and may not meet our expectations or those of investors or securities analysts.

Our results of operations, including the levels of our revenue, deferred revenue, working capital, and cash flows, may vary significantly in the future, such that period-to-period comparisons of our results of operations may not be meaningful. Our financial results may fluctuate due to a variety of factors, many of which are outside of our control and may be difficult to predict, including, but not limited to:

- changes in consumer tastes and nutritional and dietary trends;
- successful identification and acquisition of appropriate sites to timely develop and expand our number of profitable shops;
- protection of our brand and reputation;
- dependence on a small number of suppliers, including for co-packing, roasting, and consumer packaged goods;
- expectations regarding our future operating and financial performance;
- the size of our addressable markets, market share, and market trends;
- effective management and continued growth of our workforce and operations;
- our ability to attract, retain, and motivate skilled personnel, including key members of our senior management;
- generation of projected same shop sales growth;
- the sufficiency of our cash, cash equivalents, and investments to meet our liquidity needs;
- dependence on long-term non-cancelable leases;
- our employees and the status of our workers;
- our inability to maintain good relationships with our franchising partners;
- the timing and amount of deferred expenses related to the maintenance of company-operated shops;
- the effects of seasonal trends on our results of operations;
- our vulnerability to global financial market conditions, including the continuing effects from the recent recession;
- adverse weather conditions in local or regional areas where our shops are located; and
- our realization of any benefit from our organizational structure net of expenses associated with the same (including our obligations under the Tax Receivable Agreements).

Any one or more of the factors above may result in significant fluctuations in our results of operations, which may negatively impact the trading price of our Class A common stock. You should not rely on our past results as an indicator of our future performance.

Our outstanding indebtedness could materially adversely affect our financial condition and our ability to operate our business, pursue our growth strategy, and react to changes in the economy or industry.

As of December 31, 2025, we had $148.1 million outstanding under our term loan facility. In addition, subject to certain restrictions under the 2025 Credit Facility, we may incur additional debt.

Our debt could have important consequences to you, including the following:

- it may be difficult for us to satisfy our obligations, including debt service requirements under our outstanding debt, resulting in possible defaults on and acceleration of such indebtedness;
- we may need to issue additional Class A common stock to fund the repayment of our debt, which would result in additional dilution to existing investors and may cause our stock price to decline;

- our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, or other general corporate purposes may be impaired;
- a substantial portion of cash flow from operations may be dedicated to the payment of principal and interest on our debt, therefore reducing our ability to use our cash flow to fund our operations, capital expenditures, future business opportunities, acquisitions, and other general corporate purposes;
- we are more vulnerable to economic downturns and adverse industry conditions and our flexibility to plan for, or react to, changes in our business or industry is more limited;
- our ability to capitalize on business opportunities and to react to competitive pressures, as compared to our competitors, may be compromised due to our level of debt; and
- our ability to borrow additional funds or to refinance debt may be limited.

Furthermore, all of our debt under our 2025 Credit Facility bears interest at variable rates, which may increase from time to time. If these rates were to increase significantly, whether because of an increase in market interest rates or a decrease in our creditworthiness, our ability to borrow additional funds may be reduced and the risks related to our substantial debt would intensify.

Restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business, execute our growth strategy, and finance our future operations or capital needs or engage in other business activities.

The covenants under our 2025 Credit Facility restrict our ability, among other things, to:

- incur additional debt;
- grant liens on assets;
- sell or dispose of assets;
- merge with or acquire other companies, or make other investments;
- enter into sale and leaseback transactions and swap agreements;
- liquidate or dissolve ourselves;
- engage in businesses that are not in a related line of business; or
- pay dividends or make other distributions.

For example, our 2025 Credit Facility generally requires that any cash distributions received by Dutch Bros Inc. that exceed its actual tax liability and operating expenses generally must be reinvested into Dutch Bros OpCo, which restricts our ability to distribute such cash to our stockholders or to retain such cash in Dutch Bros Inc. for other uses.

In addition, our 2025 Credit Facility contains financial covenants that require us not to exceed a maximum net lease-adjusted total leverage ratio and maintain a minimum fixed charge coverage ratio. Our ability to comply with these financial covenants can be affected by events beyond our control, and we may not be able to satisfy them.

A breach of any of the covenants in the 2025 Credit Facility could result in an event of default, which could trigger acceleration of our indebtedness and may result in the acceleration of or default under other debt we may incur in the future, which could have a material adverse effect on our business, results of operations, and financial condition. In the event of such event of default under our 2025 Credit Facility, the applicable lenders could elect to terminate their commitments and declare all outstanding loans, together with accrued and unpaid interest and any fees and other obligations, to be due and payable, and/or exercise their rights and remedies under the loan documents governing our 2025 Credit Facility or any applicable law. Our obligations under the 2025 Credit Facility are guaranteed by our subsidiaries and secured by substantially all of our and such subsidiary guarantors’ assets.

If we were unable to repay or otherwise refinance these loans when due, the applicable lenders could proceed against the collateral granted to them to secure such indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our loans, we and our subsidiaries may not have sufficient assets to repay such indebtedness. Any acceleration of amounts due under our 2025 Credit Facility or the exercise by the applicable lenders of their rights and remedies would likely have a material adverse effect on our business.

As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy.

Furthermore, the terms of any future indebtedness we may incur could have further additional restrictive covenants. We may not be able to maintain compliance with these covenants in the future, and in such event, we cannot assure you that we will be able to obtain waivers from the lenders or amend the covenants.

We are vulnerable to interest rate risk with respect to our debt, and swap agreements entered into to manage such risk may not effectively limit our exposure.

We are subject to interest rate risk in connection with our 2025 Credit Facility, which carries interest at a floating rate. We have, and may in the future, use interest rate swap agreements to fix all or a portion of our variable rate debt in order to manage interest rate risk. We may not be successful in structuring such agreements to manage our risks effectively in the future, which could adversely affect our business, financial condition, and results of operations. There can be no assurance that we can develop and implement a strategy that can effectively insulate us from risks associated with interest rate fluctuations, or that our swap agreements will have the desired beneficial impact. We might be subject to additional costs, such as transaction or termination fees, if we terminate these arrangements.

If we fail to maintain effective internal controls, we may be unable to produce timely and accurate financial statements, and we may conclude that our internal control over financial reporting is not effective, which could adversely impact our investors' confidence and our Class A common stock price.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act (Section 404) to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment requires disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We have previously identified and remediated material weaknesses in our internal control over financial reporting and cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. For example, in connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2022, our management and auditors determined that material weaknesses existed in the internal control over financial reporting. Although we have implemented measures designed to improve our internal control over financial reporting and remediated these material weaknesses, we cannot assure you that the measures we have taken to date will be sufficient to avoid potential future material weaknesses.

If we identify new material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404, if we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result of such failures, we could also become subject to investigations by the New York Stock Exchange, the SEC or other regulatory authorities, and become subject to litigation from investors and stockholders, which could harm our reputation and financial condition or divert financial and management resources from our regular business activities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

A failure to establish and maintain an effective system of disclosure controls and internal control over financial reporting, could adversely affect our ability to produce timely and accurate financial statements or comply with applicable regulations.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. For example, as we prepared to become a public company, we worked to improve the controls around our key accounting processes and our quarterly close process, and we hired additional accounting and finance personnel to help us implement those processes and controls. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and investments.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in reporting requirements or accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems, and controls to accommodate such changes. We have limited experience with implementing the systems and controls that are necessary to operate as a public company, as well as adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Additionally, if these new systems, controls, or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports, or the effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

Further, deficiencies in our disclosure controls and internal control over financial reporting have been and may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the New York Stock Exchange. As a public company, we are required to provide an annual management report on the effectiveness of our internal control over financial reporting, and make a formal assessment of the effectiveness of our internal control over financial reporting in compliance with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act.

Our independent registered public accounting firm is required to formally attest to the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm has issued in the past and may in the future issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business, results of operations, and financial condition and could cause a decline in the trading price of our common stock.

We may engage in merger and acquisition activities or strategic partnerships, which could require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our business, results of operations, and financial condition.

As part of our business strategy to grow our business, we have in the past and may in the future make investments or acquisitions in, or enter into strategic partnerships with, other companies, including acquisitions of franchises from our franchise partners. The identification of suitable acquisition or partnership candidates can be difficult, time-consuming, and costly, and we may not be able to complete acquisitions or partnerships on favorable terms, if at all. These acquisitions or partnerships may not ultimately strengthen our competitive position or achieve the intended goals of such acquisition or partnership, and any acquisitions or partnerships we complete could be viewed negatively by customers or investors. We may encounter difficult or unforeseen expenditures in integrating an acquisition or partnership. In addition, if we fail to successfully integrate such acquisitions, assets, technologies, or personnel associated with such acquisitions or partnerships into our company, the business and results of operations of the combined company would be adversely affected.

These transactions may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to additional liabilities, increase our expenses, subject us to increased regulatory requirements, cause adverse tax consequences or unfavorable accounting treatment, expose us to claims and disputes by stockholders and third parties, and adversely impact our business, financial condition, and results of operations. We may not successfully evaluate or utilize the acquired assets and accurately forecast the financial impact of an acquisition or partnership transaction, including accounting charges. We may have to pay cash for any such acquisition or partnership which would limit other potential uses for our cash. If we incur debt to fund any such acquisition or partnership, such debt may subject us to material restrictions in our ability to conduct our business, result in increased fixed obligations, and subject us to covenants or other restrictions that would decrease our operational flexibility and impede our ability to manage our operations. If we issue a significant amount of equity securities in connection with future acquisitions or partnerships, existing stockholders' ownership would be diluted.

We may need additional capital, and we cannot be sure that additional financing will be available.

Prior to our IPO, we financed our operations and capital expenditures primarily through sales of OpCo Units that are convertible into our capital stock and debt financing. Thereafter, we have financed our operations and capital expenditures primarily through the sale of Dutch Bros Inc. Class A common stock and debt financing. For example, in September 2023, we raised additional capital through the sale and issuance of approximately 13.3 million shares of our Class A common stock in an underwritten public offering. In the future, we may raise additional capital through additional equity or debt financings to support our business growth, to respond to business opportunities, challenges, or unforeseen circumstances, to repay our debt, or for other reasons. On an ongoing basis, we are evaluating sources of financing and may raise additional capital in the future. Our ability to obtain additional capital will depend on our development efforts, business plans, investor demand, operating performance, the condition of the capital markets, and other factors. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of existing stockholders, and existing stockholders may experience dilution. Further, if we are unable to obtain additional capital when required, or are unable to obtain additional capital on satisfactory terms, our ability to continue to support our business growth or to respond to business opportunities, challenges, or unforeseen circumstances would be adversely affected.

If a financial institution holding our funds fails, we may not be able to pay our operational expenses or make other payments, which could adversely impact our liquidity and financial performance. Deterioration of financial markets may result in our inability to borrow on favorable terms, which could adversely impact our ability to pursue our growth and other strategic initiatives.

We regularly maintain cash balances at financial institutions in amounts exceeding the Federal Deposit Insurance Corporation (FDIC) insurance limit. If a financial institution in which we hold such funds fails, or is subject to significant adverse conditions in the financial or credit markets, we could lose all or a portion of our uninsured funds, or be subject to a delay in accessing all or a portion of our funds. If we are unable to access all or a significant portion of our funds for any extended period of time, we may not be able to pay our operational expenses or make other payments, including to our vendors and employees, and we may be subject to other operational challenges, any of which could adversely impact our liquidity and financial performance. In addition, any inability of our franchisees, suppliers, distributors, or other third parties to meet their contractual obligations to the Company because of similar risks could adversely impact our business and financial performance.

Despite the steps taken to date by the FDIC to protect depositors, the follow-on effects of the events surrounding the March 2023 failures of Silicon Valley Bank and Signature Bank and the pressures on other financial institutions and the broader financial services industry are unknown and could include failures of other financial institutions or wide-ranging liquidity shortages. In the event of a sustained deterioration of financial market liquidity, we may be unable to borrow from financial institutions on favorable terms, or at all, which could adversely impact our ability to pursue our growth strategy and fund strategic initiatives.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative claim or cause of action brought on our behalf;
- any claim or cause of action for a breach of fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders;
- any claim or cause of action against us or any of our current or former directors, officers, or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws (as each may be amended from time to time);
- any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder);
- any claim or cause of action as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and
- any claim or cause of action against us or any of our current or former directors, officers, or other employees governed by the internal affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. In addition, our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying such offering. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. For example, the Court of Chancery of the State of Delaware recently determined that the exclusive forum provisions of federal district courts of the United States of America for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable.

These choices of forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Additionally, our amended and restated certificate of incorporation provides that any person or entity holding, owning, or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management or hinder efforts to acquire a controlling interest in us, and the market price of our Class A common stock may be lower as a result.

There are provisions in our amended and restated certificate of incorporation and amended and restated bylaws that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by our stockholders.

Our charter documents also contain other provisions that could have an anti-takeover effect, such as:

- permitting the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- providing that directors may only be removed pursuant to the provisions of Section 141(k) of the Delaware General Corporation Law;
- prohibiting cumulative voting for directors;
- requiring super-majority voting to amend some provisions in our amended and restated bylaws;
- authorizing the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminating the ability of stockholders to call special meetings of stockholders; and
- our multi-class common stock structure as described above.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibit a person who owns 15% or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our amended and restated certificate of incorporation or our amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock and could also affect the price that some investors are willing to pay for our Class A common stock.

Catastrophic events may disrupt our business.

Labor discord or disruption, geopolitical events, social unrest, war, acts of terrorism, political instability, acts of public violence, boycotts, hostilities and social unrest, and other health pandemics that lead to avoidance of public places or cause people to stay at home could harm our business.

Additionally, natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could harm our business. In particular, the west coast wildfires and wildfire smoke and extreme weather conditions in other areas in which we operate, such as hurricanes, high winds, and flooding in Texas and other states, water scarcity or drought in California and other states, extreme heat and cold, snow or ice storms, and other extreme weather events across the country, and disease outbreaks or pandemics, including the reactions of governments, markets, and the general public, may result in a number of adverse consequences for our business, operations, and results of operations, many of which are beyond our control. We rely on the stable provision of utilities such as power and water that are subject to disruption or increased costs due to such events, which may cause significant operational disruptions or our operating costs to increase significantly. In the event of a major earthquake, hurricane, or catastrophic event such as drought, fire, power loss, telecommunications failure, cyber-attack, war, or terrorist attack, we may be unable to continue our operations and may endure system interruptions, property loss, reputational harm, breaches of data security, and loss of critical data, all of which would harm our business, results of operations, and financial condition. As we build shops in new states, we may be unable to plan for or adapt to unique weather conditions in such areas, including with regard to the construction of such shops and the implementation of appropriate safety equipment and procedures. Our drive-thru model relies heavily on the ability of customers to safely drive to and from our shops, which can be negatively affected by extreme weather. Such extreme weather events may affect traffic to our shops and may have a harmful effect on the local economy, decreasing the demand for our products. For example, we experienced shop closures due to extreme weather in Missouri during 2025. In addition, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions.

Climate change and volatile adverse weather conditions could adversely affect our shop sales or results of operations.

There is growing concern that climate change and global warming has caused and may continue to cause more severe, volatile weather, which could increase the frequency and duration of weather impacts on our operations. Adverse weather conditions have in the past and may in the future reduce our AUVs and, in more severe cases such as hurricanes, tornadoes, wildfires or other natural disasters, cause temporary restaurant closures, all of which negatively impact our shop sales and AUVs. For example, in 2018 a wildfire partially destroyed a town in northern California, damaged one of our shops and caused poor air quality which reduced customers' willingness to venture outside their homes and visit our shops. In addition, our supply chain may be subject to increased costs caused by the effects of climate change and diminished energy and water resources. Increasing weather volatility and changes in global weather patterns could reduce coffee bean crop size and crop quality, or destroy crops altogether, which could result in decreased availability or higher pricing for our coffee beans or other commodities. Prolonged weather volatility may force us to source ingredients from new geographic regions, which could impact quality and taste, and increase our costs. These factors are beyond our control and may be unpredictable. Climate change and government regulation relating to climate change mitigation also could result in construction delays for new shops and interruptions to the availability or increases in the cost of utilities. The ongoing and long-term costs of these impacts related to climate change and other sustainability-related issues could have a material adverse effect on our business and financial condition if we are not able to mitigate them.

Economic and business factors that are largely beyond our control may adversely affect consumer behavior and the results of our operations.

Our business is dependent upon consumer discretionary spending, which may be affected by general economic conditions that are beyond our control. For example, increasing and sustained inflation, international, domestic and regional economic conditions, consumer income levels, financial market volatility, a slow or stagnant pace of economic growth, rising energy costs, rising interest rates, social unrest, and governmental, political, and budget concerns, uncertainty, or divisions, including due to the changes in both the executive and legislative branches of the US federal government in 2025, may have a negative effect on consumer confidence and discretionary spending. For example, the federal government provided relief from student loan payments beginning in March 2020, and extended such relief multiple times through September 2023, when loan payments resumed. This and similar governmental acts could have significant impact on consumer discretionary spending. A significant decrease in our customer traffic or average value per transaction without a corresponding decrease in costs would put downward pressure on margins and would negatively impact our financial results.

There is also a risk that if negative economic conditions or uncertainty persist for a long period of time or worsen, consumers may make long-lasting changes to their discretionary purchasing behavior, including less frequent discretionary purchases on a more permanent basis or there may be a general downturn in our industry. These and other macroeconomic factors could have an adverse effect on our sales, profitability, or shop development and expansion plans, which could harm our results of operations and financial condition. These factors also could cause us to, among other things, reduce the number and frequency of new shop openings or close shops.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We rely on information technology networks and systems and data processing to manage a variety of business processes and activities, including, without limitation, to process customer payments and conduct our marketing efforts. We have implemented and maintain various information security processes designed to identify, assess, and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic, or competitive in nature, and customer data.

We utilize certain third-party service providers to perform a variety of functions, such as outsourcing certain business critical functions, augmenting staff for after-hours support, help tracking chain of custody for physical PCI devices for our shops, providing applications, hosting our systems, distributing our products, property management, providing cloud-based infrastructure, data center facilities, encryption and authentication technology, supporting corporate productivity services, and other functions. Depending on the nature of the services provided, the sensitivity and quantity of information processed, and the identity of the service provider, for certain service providers, our vendor management process includes reviewing the cybersecurity practices of certain providers, contractually imposing obligations on certain providers related to the services they provide and/or the information they process, conducting security vulnerability assessments, requiring providers to complete written questionnaires regarding their services and data handling practices, conducting periodic re-assessments during their engagement, using a third party vendor management security company to provide certain ongoing monitoring, or annually collecting certain information security-related compliance documentation and reports.

Our assessment and management of material risks from cybersecurity threats are considered in the Company's overall risk management processes. For example, the Company maintains various policies and procedures related to information security, including, for example, an Incident Response Policy and a Cybersecurity Incident Reporting Policy and an AI working group that analyzes the potential risks in connection with the Company's use of generative AI technologies and/or automated decision-making tools. We identify cybersecurity threats as part of our risk management processes, including (depending on the environment or systems) through internal monitoring, monitoring the threat environment using manual and automated tools, subscribing to reports and services that identify cybersecurity threats, analyzing reports of threats and actors, conducting scans of the threat environments, evaluating our and our industry's risk profile, evaluating threats reported to us, conducting threat assessments for internal and external threats, and conducting security vulnerability assessments to identify vulnerabilities. Our information technology team is responsible for identifying, assessing, and managing the Company's cybersecurity threats and risks under the oversight of our Chief Information Security Officer. This team works with third parties from time to time to help identify, assess, and manage cybersecurity risks, including professional services firms and other vendors.

Based on our assessment process, we implement and maintain various technical, physical, and organizational measures designed to manage and mitigate cybersecurity risks and potential material impacts. Depending on the environment or systems, we implement measures designed to prevent, detect, respond to, mitigate, and recover from identified and significant cybersecurity threats. The risk management and reduction measures we implement for certain of our environments or systems include: policies and procedures designed to address cybersecurity threats, including an incident response policy, acceptable use policy, and vulnerability management policy; internal and/or external security audit assessments of select environments to assess our exposure to cybersecurity threats, compliance with risk mitigation procedures, and the effectiveness of relevant controls; documented risk assessments; encryption of certain data; network security controls in certain systems; physical and electronic access controls in certain environments; asset management, tracking and disposal; systems monitoring of certain systems; employee security training; penetration testing of certain environments; maintaining cyber insurance; and a dedicated cybersecurity leader.

Our business, results of operations, financial condition, or reputation could be materially affected as a result of certain risks from cybersecurity threats, including for example, due to: the cost of and modification of business activities and implementation of security measures; system failure, data loss, fraud or theft; disruptions, including in operations; delays in remediation of high risk or critical vulnerabilities; costs of notices and other disclosures that may be required by applicable data privacy and security obligations; or our inability to recover such costs under insurance policies or contractual rights. See "Risks Related to Our Business" in Item 1A, Risk Factors for more information and a description of the risks from cybersecurity threats that materially affect the Company.

Governance

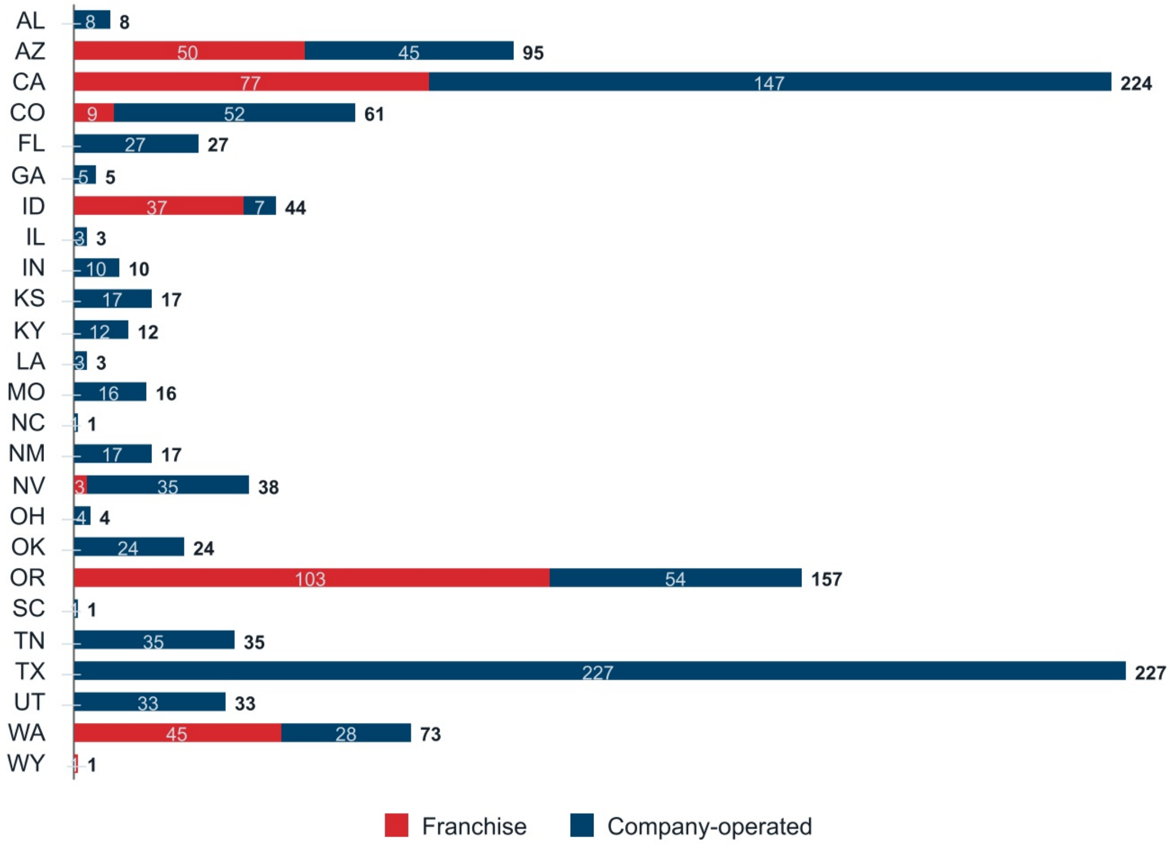
The Audit and Risk Committee of the board of directors is responsible for oversight of the Company's processes and policies for enterprise risk identification, management, and assessment, including certain risks around data privacy, technology, and information security. Our cybersecurity risk assessment and management processes are implemented and maintained by certain Company management, including our Chief Information Security Officer, who has over 20 years of experience designing, building, and executing teams and programs in the cybersecurity field, in both leadership and hands-on technical positions across numerous industries including retail, software and technology, medical device manufacturing, and cyber advisory and audit services.

Our Chief Information Security Officer is responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company’s overall risk management strategy, and communicating key priorities to relevant personnel. Our Chief Information Security Officer and his team are responsible for approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports.

Our cybersecurity incident response processes are designed to escalate certain cybersecurity incidents to members of management depending on the circumstances, including reporting certain incidents to a cross-functional group responsible for making ongoing assessments of reported incidents. This group is led by our Chief Legal Officer and Chief Information Security Officer, and includes members of our standing Disclosure Committee. The Chief Legal Officer is responsible for informing the Audit and Risk Committee regarding certain significant cybersecurity threats and risks, and meets with the Audit and Risk Committee periodically or at special meetings to review and discuss issues. Additionally, our Chief Legal Officer oversees an annual enterprise risk assessment that addresses certain applicable cybersecurity risks, the results of which are presented to the Audit and Risk Committee. We also engage a third party consulting firm to assist with our annual enterprise risk assessment. Our Chief Legal Officer works with the Board, senior management, others at various levels of the organization, and our outside advisors to help identify, assess, and validate the Company’s top risks, taking into account past risk mitigation activities and future plans. Under our Cybersecurity Incident Reporting Policy, the Chief Legal Officer is also responsible for communicating to the Audit and Risk Committee the activities of the Company related to the assessments and reporting of potentially significant cybersecurity incidents.

ITEM 2. PROPERTIES

As of December 31, 2025, we had 811 company-operated and 325 franchise shops with 1,136 total shops in 25 states. The chart below shows our properties by state as of December 31, 2025.



In addition to our company-operated shops, we own and lease the following facilities:

Location	Primary Function(s)	Square Feet	Owned or Leased
Tempe (Phoenix), Arizona	Headquarters office space	136,000	Leased
Grants Pass, Oregon	Roasting and packing facility	36,000	Owned
Grants Pass, Oregon	Roasting and warehouse facility	21,000	Leased
Grants Pass, Oregon	Administration office space	18,000	Leased
Melissa, Texas	Roasting and packing facility	65,000	Owned

Our principal executive offices are located at 1930 W. Rio Salado Pkwy, Tempe, Arizona, 85281. We believe our current facilities are suitable for our near-term needs. In addition, we expect to continue to add additional capacity on an as-needed basis.

For additional information regarding leases, see NOTE 2 — Basis of Presentation and Summary of Significant Accounting Policies and NOTE 8 — Leases in our consolidated financial statements, included elsewhere in this Form 10-K.

ITEM 3. LEGAL PROCEEDINGS

We may, from time to time, be a party to litigation and subject to claims incident to the ordinary course of business. As our company matures, we may become party to an increasing number of litigation matters and claims. The outcome of litigation and claims cannot be predicted with certainty, and the resolution of these matters could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Please refer to NOTE 16 — Commitments and Contingencies under the heading “Legal Proceedings” for further information.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our Class A common stock is traded on the New York Stock Exchange under the symbol “BROS”. There is no established public trading market for our Class B common stock, Class C common stock, or Class D common stock. Since June 2024, there have been no shares of Class D common stock outstanding.

Stockholders

As of December 31, 2025, our Class A common stock was held by 126 holders of record. The actual number of stockholders of Class A common stock is greater than this number of record holders and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities. As of December 31, 2025, we also had three holders of record of our Class B common stock, and one holder of record of our Class C common stock.

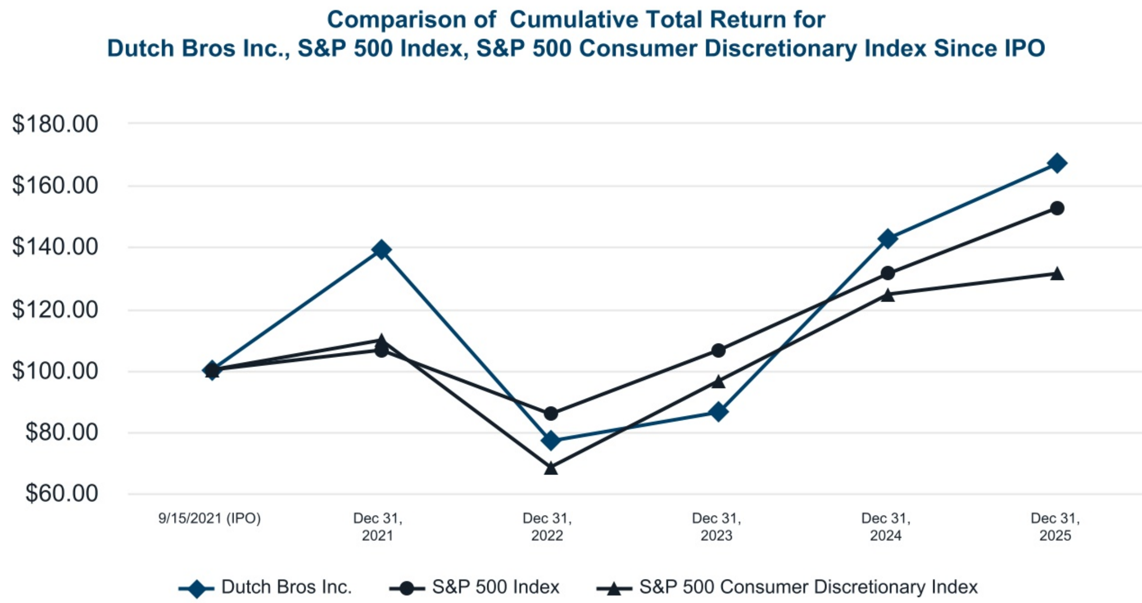
Dividend Policy

We have not declared or paid dividends on our Class A common stock. Holders of our Class B common stock and Class C common stock are not entitled to participate in any dividends. We intend to continue to retain earnings for our use in operation and expansion of our business. Any future determination to pay dividends to holders of our Class A common stock will be at the discretion of our Board and will depend upon many factors, including our results of operations, financial condition, capital requirements, restrictions in our debt agreements, and other factors that our Board deems relevant.

Stock Performance Graph

The graph below compares the cumulative total stockholder return on our Class A common stock (BROS) with the cumulative total return on the S&P 500 Index (SPX) and the S&P 500 Consumer Discretionary Index (SP500.25), assuming an initial investment of $100 at the market close on September 15, 2021, the date our stock commenced trading on the New York Stock Exchange. Data for the S&P 500 Index and the S&P 500 Consumer Discretionary Index assume reinvestment of dividends. As noted above, no dividends have been declared on our Class A common stock to date.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intend to forecast, future performance of our Class A common stock.



		9/15/2021 (IPO)		Dec 31, 2021		Dec 31, 2022		Dec 31, 2023		Dec 31, 2024		Dec 31, 2025
Dutch Bros Inc.	$	100.00	$	138.79	$	76.85	$	86.34	$	142.80	$	166.90
S&P 500 Index	$	100.00	$	106.37	$	85.69	$	106.45	$	131.27	$	152.78
S&P 500 Consumer Discretionary Index	$	100.00	$	109.67	$	68.46	$	96.55	$	124.68	$	131.30

The above Stock Performance Graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, each as amended, except to the extent that we specifically incorporate it by reference into such filing.

Issuer Purchases of Equity Securities

The following table summarizes purchases of Class A common stock during the three months ended December 31, 2025:

Period	Total Number of Shares Purchased [1]	Weighted-Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
October 1 - 31, 2025	—	—	—	—
November 1 - 30, 2025	8,814	$ 55.54	—	—
December 1 - 31, 2025	—	—	—	—

1 In connection with the vesting of RSUs granted pursuant to the Dutch Bros Inc. 2021 Equity Incentive Plan, as amended, shares of Class A common stock are delivered to Dutch Bros by employees to satisfy tax withholding obligations.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our audited consolidated financial statements and the related notes included elsewhere in this Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this document includes forward looking statements that involve risks, uncertainties, and assumptions. You should carefully read the "Forward-Looking Statements" and "Risk Factors" sections of this Form 10-K for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Form 10-K. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. Further, the section of this "Management's Discussion and Analysis of Financial Condition and Results of Operations" generally discusses 2025 and 2024 items and year-to-year comparisons between 2025 and 2024. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 are not included in this Annual Report on Form 10-K and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 13, 2025.

Reconciliation of GAAP to non-GAAP results is provided in the section "Non-GAAP Financial Measures" in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations". Non-GAAP financial measures included herein are segment contribution. EBITDA, adjusted EBITDA, and adjusted selling, general and administrative.

Index to Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Dutch Bros is a high growth operator and franchisor of drive-thru shops that focus on serving high QUALITY, hand-crafted beverages with unparalleled SPEED and superior SERVICE. Founded in 1992 by brothers Dane and Travis Boersma, Dutch Bros began with a double-head espresso machine and a pushcart in Grants Pass, Oregon. Today, we believe that Dutch Bros is one of the fastest-growing brands in the quick service beverage industry in the United States.

Impact of Global Events

General Macroeconomic Uncertainties

As a retailer that is dependent upon consumer discretionary spending, our results of operations are sensitive to changes in macroeconomic conditions. Inflation or consumer recession concerns, coupled with a rise in the U.S. unemployment rate, may have a material adverse effect on our business, financial condition or results of operations. Our customers may have or in the future may have less money available for discretionary purchases and may reduce or stop purchasing our products.

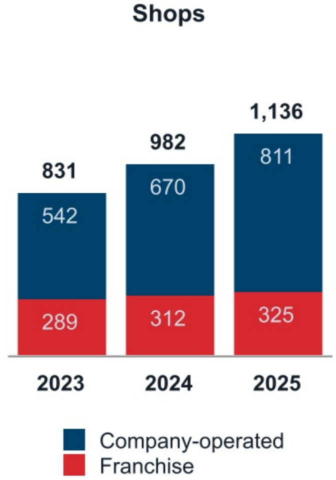
On a macro level, conditions, including changes in tariffs, tax laws, interest rates, inflation, commodity costs, geopolitical conflicts, and significant weather events, have created significant uncertainty in the global economy. While we are not able to fully predict the potential impacts of these conditions, we do not currently believe any potential impacts of these macroeconomic conditions would be material to our business.

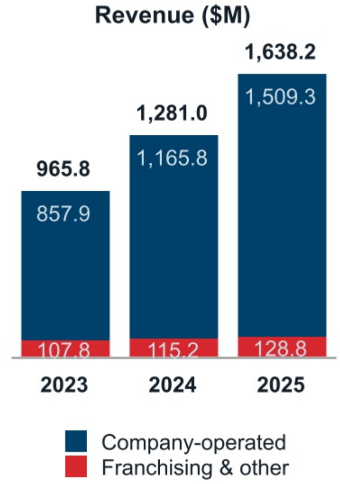
Minimum Wage Increases

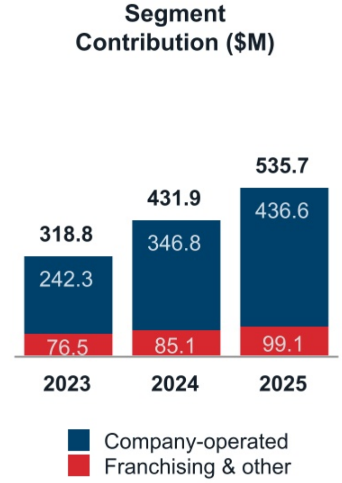
We expect pressures from minimum wage increases to continue to affect our operating results in the foreseeable future. Several states that we operate in have increased their minimum wage requirements in 2024 and 2025. While these pressures have impacted our operating results, we have taken measures to gradually increase our menu prices, adjust our Dutch Rewards loyalty program, and make operating adjustments that increase productivity to help offset them. Menu price increases may lead to decreases in consumer demand. We will continue to evaluate further pricing actions to protect our operating results, however, if there is a time lag between increasing costs and our ability to increase menu prices or take other action in response, or if we choose not to pass on the cost increases by increasing menu prices, our operating results could be negatively affected.

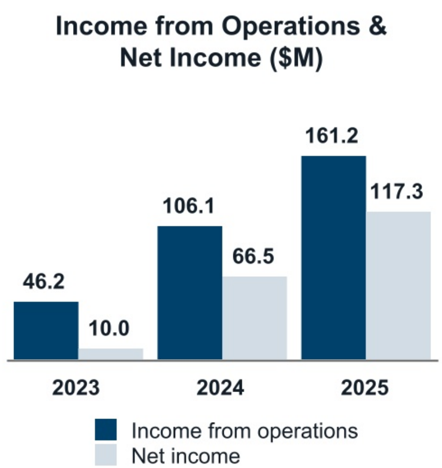
Results of Operations

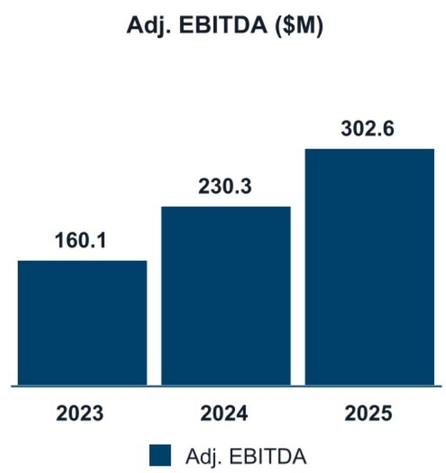
As of December 31, 2025, we had 1,136 systemwide shops in 25 states, an increase of approximately 15.7% from the same period in the prior year. For the year ended December 31, 2025, we generated $1.6 billion of revenue, $117.3 million of net income, and $0.64 of income per diluted share. We have two reportable operating segments: Company-operated shops and Franchising and other.











	2025 vs 2024	2024 vs 2023
Increase in total shops	15.7 %	18.2 %
Increase in total revenue	27.9 %	32.6 %

Key Performance Indicators

The key performance indicators that we use to effectively manage and evaluate our business are as follows:

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023
Shop count, beginning of period			
Company-operated	670	542	396
Franchised	312	289	275
Total shop count	**982**	**831**	**671**
Company-operated new openings	141	128	146
Franchised new openings	13	23	13
Re-openings [1]	—	—	1
Shop count, end of period			
Company-operated	811	670	542
Franchised	325	312	289
Total shop count	**1,136**	**982**	**831**
Systemwide AUV [2]	$ 2,115	$ 2,018	$ 1,973
Company-operated shops AUV [2]	$ 2,061	$ 1,933	$ 1,902
Systemwide same shop sales [3, 4]	5.6 %	5.3 %	2.8 %
Ticket	2.4 %	5.4 %	7.3 %
Transactions	3.2 %	(0.1)%	(4.5)%
Company-operated same shop sales [3]	7.4 %	6.8 %	1.5 %
Ticket	2.0 %	5.3 %	7.2 %
Transactions	5.4 %	1.5 %	(5.7)%
Systemwide sales [4]	$ 2,223,576	$ 1,819,018	$ 1,444,433
Company-operated shops operating weeks [5]	37,667	31,708	24,395
Franchising shops operating weeks [5]	16,527	15,579	14,624
Dutch Rewards transactions as a percentage of total transactions [6]	72 %	68 %	65 %

(dollars in thousands; unaudited)	Year Ended December 31, 2025 $	2025 %	2024 $	2024 %	2023 $	2023 %
Company-operated shops revenues	1,509,329	100.0	1,165,830	100.0	857,939	100.0
Company-operated shops gross profit	330,389	21.9	259,959	22.3	180,235	21.0
Company-operated shops contribution	436,605	28.9	346,768	29.7	242,323	28.2
Selling, general, and administrative expenses	262,766	16.0	234,036	18.3	205,074	21.2
Adjusted selling, general, and administrative expenses	235,262	14.4	202,720	15.8	159,101	16.5
Net income	117,275	7.2	66,450	5.2	9,952	1.0
Adjusted EBITDA	302,554	18.5	230,283	18.0	160,062	16.6

[1] Re-opening of a shop that was temporarily closed in 2021.

[2] AUVs are determined based on the net sales for any trailing twelve-month period for systemwide and company-operated shops that have been open a minimum of 15 months. AUVs are calculated by dividing the systemwide and company-operated shops net sales by the total number of systemwide and company-operated shops, respectively. Management uses these metrics as an indicator of shop growth and future expectations of mature locations.

[3] Same shop sales represents the estimated percentage change in year-over-year sales, for the comparable shop base, which we define as shops open for 15 complete months or longer as of the first day of the reporting period. Same shop sales can be impacted by changes in customer transaction counts and by changes in the per-ticket amounts. Management uses these metrics as an indicator of shop growth and future expansion strategy. The number of shops included in the systemwide and company-operated comparable bases for the respective periods are presented in the following table.

(unaudited)	Year Ended December 31, 2025	2024	2023
Systemwide shop base	794	641	503
Company-operated shops base	510	370	246

[4] Systemwide sales and systemwide same shop sales are operating measures that include sales at company-operated shops and sales at franchised shops during the comparable periods presented. Franchise sales represent sales at all franchise shops and are revenues to our franchise partners. We do not record franchise sales as revenues; however, our royalty revenues and advertising fund contributions are calculated based on a percentage of franchise sales. As these metrics include sales reported to us by our non-consolidated franchise partners, these metrics should be considered as a supplement to, not a substitute for, our results as reported under GAAP. Management uses these metrics as indicators of our system's overall financial health, growth and future expansion prospects.

[5] Company-operated and franchise shops operating weeks are calculated based on the number of operating days for the shop base and dividing by 7. Our shop base is defined as shops opened as of the period end date. Management uses these metrics as indicators of our system's overall financial health, growth and future expansion prospects.

[6] Dutch Rewards is our app-based digital loyalty program. Management uses this metric as an indicator of customer loyalty adoption of our Dutch Rewards app and future promotional plans.

Company-operated Shops Results

Results for our company-operated shops segment were as follows:

	Year Ended December 31,					
	2025		2024		2023	
(dollars in thousands; unaudited)	$	%	$	%	$	%
Company-operated shops revenues	**1,509,329**	**100.0**	**1,165,830**	**100.0**	**857,939**	**100.0**
Beverage, food, and packaging costs	390,331	25.9	296,752	25.5	230,133	26.9
Labor costs	405,932	26.9	315,805	27.1	230,505	26.9
Occupancy and other costs	251,106	16.6	191,372	16.4	140,895	16.4
Pre-opening costs	25,355	1.7	15,133	1.3	14,083	1.6
Depreciation and amortization	106,216	7.0	86,809	7.4	62,088	7.2
Company-operated shops costs and expenses	1,178,940	78.1	905,871	77.7	677,704	79.0
Company-operated shops gross profit	**330,389**	**21.9**	**259,959**	**22.3**	**180,235**	**21.0**
Company-operated shops contribution	436,605	28.9	346,768	29.7	242,323	28.2

Company-operated Shops Segment Performance

Company-operated Shops Revenue

	Year Ended December 31,						
(dollars in thousands; unaudited)	2025	2024	2023	2025 v. 2024		2024 v 2023	
Company-operated shops revenue	$1,509,329	$1,165,830	$857,939	$343,499	29.5%	$307,891	35.9%

Year Ended December 31, 2025 v. 2024

Company-operated shops revenue increased $268.8 million from newly opened shops not yet in the comparable shop base and $74.6 million from a 7.4% increase in same shop sales.

Beverage, Food, and Packaging Costs

	Year Ended December 31,						
(dollars in thousands; unaudited)	2025	2024	2023	2025 v. 2024		2024 v 2023	
Beverage, food and packaging costs	$390,331	$296,752	$230,133	$93,579	31.5%	$66,619	28.9%
As a percentage of company-operated shops revenues	25.9%	25.5%	26.9%	N/A	40 bps	N/A	(140) bps

Year Ended December 31, 2025 v. 2024

As a percentage of company-operated shops revenues, beverage, food and packaging costs increased by 40 basis points. This was primarily due to a 90 basis points increase in coffee costs, partially offset by impact of pricing on the comparable shop base.

Labor Costs

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Labor costs	$405,932	$315,805	$230,505	$90,127	28.5%	$85,300	37.0%
As a percentage of company-operated shops revenues	26.9%	27.1%	26.9%	N/A	(20) bps	N/A	20 bps

Year Ended December 31, 2025 v. 2024

As a percentage of company-operated shops revenues, labor costs decreased by 20 basis points. This was primarily due to the impact of pricing and sales leverage, partially offset by increased wages.

Occupancy and Other Costs

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Occupancy and other costs	$251,106	$191,372	$140,895	$59,734	31.2%	$50,477	35.8%
As a percentage of company-operated shops revenues	16.6%	16.4%	16.4%	N/A	20 bps	N/A	— bps

Year Ended December 31, 2025 v. 2024

As a percentage of company-operated shops revenues, occupancy and other costs increased by 20 basis points. These increases were primarily due to the impact of occupancy rates from new shops as we shift our lease types to a greater proportion of build-to-suit lease agreements, partially offset by leverage.

Pre-opening Costs

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Pre-opening costs	$25,355	$15,133	$14,083	$10,222	67.5%	$1,050	7.5%
As a percentage of company-operated shops revenues	1.7%	1.3%	1.6%	N/A	40 bps	N/A	(30) bps
New company-operated shops opened	141	128	146	13	10.2%	(18)	(12.3)%
Pre-opening costs per new company-operated shop	$180	$118	$96	$62	52.5%	$22	22.9%

Year Ended December 31, 2025 v. 2024

The increase in pre-opening costs was primarily driven by increased travel for setup and training teams, and lease expense related to unopened shops, in the year ended December 31, 2025 as compared to the same period in 2024.

Depreciation and Amortization

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Depreciation and amortization	$106,216	$86,809	$62,088	$19,407	22.4%	$24,721	39.8%
As a percentage of company-operated shops revenues	7.0%	7.4%	7.2%	N/A	(40) bps	N/A	20 bps

Year Ended December 31, 2025 v. 2024

The increase in depreciation and amortization was primarily driven by the increase in the number of company-operated shops in the current period compared to the prior period.

Company-operated Shops Gross Profit and Contribution

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Company-operated shops gross profit	$330,389	$259,959	$180,235	$70,430	27.1%	$79,724	44.2%
As a percentage of company-operated shops revenues	21.9%	22.3%	21.0%	N/A	(40) bps	N/A	130 bps
Company-operated shops contribution	$436,605	$346,768	$242,323	$89,837	25.9%	$104,445	43.1%
As a percentage of company-operated shops revenues	28.9%	29.7%	28.2%	N/A	(80) bps	N/A	150 bps

Year Ended December 31, 2025 v. 2024

The company-operated shops gross profit margin decreased by 40 basis points. This was primarily driven by increased coffee costs and labor costs partially offset by pricing and leverage from increased sales in the comparable shop base.

Franchising and Other Segment Performance

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Franchising and other revenue	$128,830	$115,185	$107,837	$13,645	11.8%	$7,348	6.8%
Franchising and other gross profit	$93,557	$80,170	$71,061	$13,387	16.7%	$9,109	12.8%
As a percentage of franchising and other revenue	72.6%	69.6%	65.9%	N/A	300 bps	N/A	370 bps

Year Ended December 31, 2025 v. 2024

The franchising and other gross profit increase of $13.4 million was driven by products sold to franchisees (net of costs and adjustments), royalties and marketing fees generated from higher franchise partner sales.

Selling, General, and Administrative

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Selling, general, and administrative	$262,766	$234,036	$205,074	$28,730	12.3%	$28,962	14.1%
As a percentage of total revenues	16.0%	18.3%	21.2%	N/A	(230) bps	N/A	N/M

Year Ended December 31, 2025 v. 2024

The selling, general, and administrative increase of approximately $28.7 million was primarily driven by increased expenses of $24.7 million consisting of investments in human capital to support our revenue growth and higher performance-based compensation; an increase of $9.9 million related to professional fees and technology services to support our growing business; and $5.3 million of higher equity-based compensation. These increases were partially offset by lower realignment and restructuring charges of $9.7 million and lower nonrecurring equity offering expenses of $1.5 million.

Other Expense

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Interest expense on finance leases	$ (23,289)	$ (22,053)	$ (17,516)	$ (1,236)	5.6%	$ (4,537)	25.9%
Other interest expense, net	(5,016)	(4,967)	(14,805)	(49)	1.0%	9,838	(66.5)%
Interest expense, net	$ (28,305)	$ (27,020)	$ (32,321)	$ (1,285)	4.8%	$ 5,301	(16.4)%
Other income	2,748	5,812	3,018	(3,064)	(52.7)%	2,794	92.6%
Total other expense	**$ (25,557)**	**$ (21,208)**	**$ (29,303)**	**$ (4,349)**	**20.5%**	**$ 8,095**	**(27.6)%**

Year Ended December 31, 2025 v. 2024

The increase in total other expense was primarily driven by expenses associated with our credit facility refinance in May 2025 (see NOTE 9 — Debt for additional details), and a prior year non-recurring gain on sale of the Company airplane, hangar and related equipment to our Co-Founder.

Income Tax Expense

(dollars in thousands; unaudited)	Year Ended December 31, 2025	2024	2023	2025 v. 2024		2024 v 2023	
Income tax expense	$18,348	$18,435	$6,967	$(87)	(0.5)%	$11,468	164.6%
Effective tax rate	13.5%	21.7%	41.2%	N/A	N/A	N/A	N/M

Year Ended December 31, 2025 v. 2024

The decrease in the effective tax rate to 13.5% from 21.7% in the same period in 2024 is due to tax deductions related to stock-based compensation, as well as the impact of changes in state rates and apportionment of deferred taxes.

See NOTE 12 — Income Taxes for additional details.

Liquidity and Capital Resources

Cash Overview

We had cash and cash equivalents of $269.4 million and $293.4 million as of December 31, 2025 and December 31, 2024, respectively.

For the year ended December 31, 2025, our principal sources of liquidity were cash flows from operations. Our principal uses of liquidity for the year ended December 31, 2025 were to pay off our prior credit facility, fund our new shop builds and other working capital needs.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Year Ended December 31,						
(dollars in thousands; unaudited)	2025	2024	2023	2025 v. 2024		2024 v 2023	
Net cash provided by operating activities	$ 295,545	$ 246,432	$ 139,915	$ 49,113	19.9%	$ 106,517	76.1%
Net cash used in investing activities	(241,068)	(212,072)	(227,280)	(28,996)	13.7%	15,208	(6.7)%
Net cash provided by (used in) financing activities	(78,427)	125,449	200,732	(203,876)	(162.5)%	(75,283)	(37.5)%
Net increase (decrease) in cash and cash equivalents	**$ (23,950)**	**$ 159,809**	**$ 113,367**	**$ (183,759)**	**(115.0)%**	**$ 46,442**	**41.0%**
Cash and cash equivalents at beginning of period	293,354	133,545	20,178	159,809	119.7%	113,367	561.8%
Cash and cash equivalents at end of period	**$ 269,404**	**$ 293,354**	**$ 133,545**	**$ (23,950)**	**(8.2)%**	**$ 159,809**	**119.7%**

Operating Activities

The increase in operating activities cash flows was primarily driven by higher net income as a result of year-over-year sales growth and leverage of selling, general and administrative costs.

Investing Activities

The slight increase in investing activities cash outflows was primarily driven by higher investment in capital expenditures due to new company-operated shops openings in the current period compared to the same period in the prior year, partially offset by lower proceeds from disposal of fixed assets.

Financing Activities

The decrease in financing activities cash flows was primarily driven by the net payoff of our 2022 Credit Facility, partially offset by proceeds from our 2025 Credit Facility, resulting in a net reduction of outstanding debt.

Cash Requirements

We believe that cash provided by operating activities and proceeds from our 2025 Credit Facility are adequate to fund our debt service requirements, lease obligations, cash distributions required by the OpCo LLC Agreement and the TRAs, and working capital obligations for at least the next 12 months.

Our future capital requirements may vary materially from period to period and will depend on many factors, primarily our expansion and growth by opening additional company-operated shops and/or reacquiring existing franchised shops. Further, the payments that we may be required to make under the TRAs may be significant. We currently expect to fund our current and long-term material capital requirements with operating cash flows and, as needed, additional proceeds from our 2025 Credit Facility, but we may also seek additional debt or equity financing. From time to time, we may explore additional financing sources which could include equity, equity-linked, and debt financing arrangements.

Other than operating expenses, our cash requirements for 2026 are expected to consist primarily of capital expenditures for investments in our new and existing shops, and our corporate facilities. The total capital expenditures for 2026 are estimated to be approximately $270 million to $290 million.

Our current and long-term material cash requirements as of December 31, 2025, primarily include the following:

- **Debt Obligations:** Refer to NOTE 9 — Debt, of the notes to the consolidated financial statements, included elsewhere in this Form 10-K, for further information of our obligations and the timing of expected payments.
- **Operating and Finance Leases:** Refer to NOTE 8 — Leases, of the notes to the consolidated financial statements, included elsewhere in this Form 10-K, for further information of our obligations and the timing of expected payments.
- **Purchase Obligations:** include all legally binding contracts, including firm minimum commitments for inventory purchases, commitments for the purchase, construction or remodeling of real estate facilities, equipment purchases, marketing-related contracts, software acquisition/license commitments and service contracts. As of December 31, 2025, purchase obligations were approximately $370 million, of which substantially all are expected to be paid within one to two years.
- **TRAs Obligations:** Refer to NOTE 11 — Tax Receivable Agreements and NOTE 16 — Commitments and Contingencies, of the notes to the consolidated financial statements, included elsewhere in this Form 10-K, for further information of our obligations.

Credit Facility

JPMorgan Credit Facility

On May 29, 2025 (the Effective Date), we amended and restated our existing $650 million senior secured credit facility, dated February 28, 2022 (as previously amended, the 2022 Credit Facility), with JPMorgan Chase Bank, N.A. as administrative agent and other financial institutions as the lenders party thereto (the 2025 Credit Facility). The 2025 Credit Facility consists of a $500 million revolving credit facility and a term loan facility of up to $150 million. The 2025 Credit Facility also includes sublimits for letters of credit and swingline loans of up to $100 million and $20 million, respectively. The 2025 Credit Facility expires on May 29, 2030 (the Maturity Date). It also contains an option allowing the Loan Parties to increase the size of the 2025 Credit Facility by up to an additional (i) $230 million or (ii) 80% of EBITDAR, whichever is greater, with the agreement of the Administrative Agent and the applicable lenders party thereto.

On the Effective Date, we drew the full $150 million in term loan and $50 million in revolving loans under the 2025 Credit Facility, and all outstanding debt under the 2022 Credit Facility was repaid.

Interest on borrowings under the 2025 Credit Facility is based on (i) the Alternate Base Rate plus an applicable margin, or (ii) the Term SOFR Rate plus an applicable margin (each as defined in the 2025 Credit Facility), and is payable in accordance with the selected interest rate period and upon maturity. Principal payments for the term loans are required on a quarterly basis in accordance with an amortization schedule up through and including the Maturity Date.

Obligations under the 2025 Credit Facility are guaranteed by Dutch Bros OpCo and certain of its subsidiaries, and secured by a first priority perfected security interest in substantially all of the assets of the guarantors.

Interest Rate Swap Contract

We have an interest rate swap with JPMorgan Chase Bank, N.A. As of December 31, 2025, the interest rate swap had a notional amount of approximately $59 million and hedges interest rate risk on the term loan under the 2025 Credit Facility. The purpose of the floating-to-fixed interest rate swap is to fix the interest base rate charged on the term loan at 2.67% for the notional amount. The interest rate swap matures on February 28, 2027.

The amendment to our credit facility had no impact on our interest rate swap contract.

See NOTE 9 — Debt and NOTE 10 — Derivative Financial Instrument for additional details related to our 2025 Credit Facility and interest rate swap contract.

Critical Accounting Estimates

The methods, assumptions, and estimates that we use in applying our accounting policies may require us to apply judgments regarding matters that are inherently uncertain. We consider an accounting policy to be a critical estimate if: (1) we must make assumptions that were uncertain when the judgment was made, and (2) changes in the estimate assumptions, or selection of a different estimate methodology, could have a significant impact on our financial position and the results that we report in our consolidated financial statements. While we believe that our estimates, assumptions, and judgments are reasonable, they are based on information available when the estimate was made.

Refer to NOTE 2 — Basis of Presentation and Summary of Significant Accounting Policies within the consolidated financial statements, included elsewhere in this Form 10-K, for further information on our critical accounting estimates and policies, which are as follows:

Leases

At the commencement of each lease, we evaluate the lease agreement to determine whether it is an operating or finance lease. The evaluation requires significant judgments in determining the fair value of the lease right-of-use asset and the lease liability and appropriate lease terms.

Our lease agreements generally do not provide an implicit interest rate; as such, the discount rate used to measure the initial lease liability is equal to the rate the Company would pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Management uses a specialist to determine the discount rate, which is subject to fluctuation based on market interest rates and our credit risk profile.

We also estimate the lease term at commencement. The lease term commences on the date when we take possession of the leased property. To determine the length of the lease term at inception, we consider both termination and renewal option periods available. Reasonably certain renewal periods are included in the lease term at commencement.

Variations in judgment applied to these estimates could result in material differences such as the following:

- Lease expenses, including rent, depreciation and amortization
- Present value of lease right-of-use assets and lease liabilities
- Reasonably certain lease term

See NOTE 8 — Leases for further details.

Income Taxes

In determining the provision for income taxes, we make estimates and judgments which affect our evaluation of the carrying value of our deferred tax assets as well as our calculation of certain tax liabilities. We evaluate the carrying value of our deferred tax assets on a quarterly basis. In completing this evaluation, we consider all available positive and negative evidence. Such evidence includes historical operating results, the existence of cumulative earnings and losses in the most recent fiscal years, taxable income in prior carryback year(s) if permitted under the tax law, expectations for future pre-tax operating income, the time period over which our temporary differences will reverse, and the implementation of feasible and prudent tax planning strategies. Estimating future taxable income is inherently uncertain and requires judgment.

Our expense/(benefit) for income taxes, deferred tax assets and liabilities including valuation allowance requires the use of estimates based on our management's interpretation and application of complex tax laws and accounting guidance.

Deferred taxes are recorded using the asset and liability method, whereby tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. We regularly evaluate the valuation allowances established for deferred tax assets for which future realization is uncertain. In assessing the realizability of deferred tax assets, we consider both positive and negative evidence, including scheduled reversals of deferred tax assets and liabilities, projected future taxable income, tax planning strategies and results of recent operations. If, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized, a valuation allowance is recorded. See NOTE 12 — Income Taxes for further details.

Tax Receivable Agreements

In connection with our IPO, we entered into two TRAs with the Continuing Members and Pre-IPO Blocker Holders. The TRAs generally provide for us to pay the Continuing Members and Pre-IPO Blocker Holders 85% of the net cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize or are deemed to realize in certain circumstances. We will retain the benefit of the remaining 15% of these net cash savings. As of December 31, 2025, we recognized $821.0 million of liabilities relating to our obligations under the TRAs.

Changes in the projected TRAs liability resulting from these tax benefit arrangements may occur based on changes in anticipated future taxable income, changes in applicable tax rates or other changes in tax attributes that may occur and impact the expected future tax benefits to be received by the Company. Estimating future taxable income is a key input in calculating the TRAs liability, and is inherently uncertain and requires judgment. Changes in assumptions regarding future taxable income, including the application of valuation allowances on related deferred tax assets, could result in a material increase or decrease in the TRA liability in future periods. In projecting future taxable income, we consider our historical results and incorporate certain assumptions. See NOTE 11 — Tax Receivable Agreements for further details.

Non-GAAP Financial Measures

In addition to disclosing financial results in accordance with GAAP, this document contains references to the non-GAAP financial measures below. We believe these non-GAAP financial measures provide investors with useful supplemental information about our operating performance, enable comparison of financial trends and results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business and measuring our performance.

Our non-GAAP financial measures reflect adjustments based on one or more of the following items, as well as the related income tax effects where applicable. Income tax effects have been calculated based on the combined total non-GAAP adjustments using our total effective tax rate. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated.

Segment contribution

Definition and/or calculation

Segment gross profit, before depreciation and amortization.

Usefulness to management and investors

This non-GAAP measure is used by our management in making performance decisions without the impact of non-cash depreciation and amortization charges. This is a standard metric used across our industry by investors.

EBITDA, Adjusted EBITDA

EBITDA — definition and/or calculation

Net income before interest expense (net of interest income), income tax expense, and depreciation and amortization expense.

Adjusted EBITDA — definition and/or calculation

Defined as EBITDA, excluding equity-based compensation, expenses associated with equity offerings, expenses associated with credit facility refinancing, executives transitions costs, (gain) loss on the remeasurement of the liability related to the TRAs, sale of Aircraft, and organization realignment and restructurings costs.

Usefulness to management and investors

These non-GAAP measures are supplemental operating performance measures we believe facilitate comparisons to historical performance and competitors' operating results. We believe these non-GAAP measures presented provide investors with a supplemental view of our operating performance that facilitates analysis and comparisons of our ongoing business operations because they exclude items that may not be indicative of our ongoing operating performance.

Adjusted selling, general, and administrative

Definition and/or calculation

Selling, general, and administrative expenses, excluding depreciation and amortization, equity-based compensation expense, expenses associated with equity offerings, executive transitions costs, and organization realignment and restructurings costs.

Usefulness to management and investors

This non-GAAP measure is used as a supplemental measure of operating performance that we believe is useful to evaluate our performance period over period and relative to our competitors. We believe the non-GAAP measure presented provides investors with a supplemental view of our operating performance that facilitates analysis and comparisons of our ongoing business operations because it excludes items that may not be indicative of our ongoing operating performance.

Non-GAAP adjustments

Below are the definitions of the non-GAAP adjustments that are used in the calculation of our non-GAAP measures, as described above.

Equity-based compensation

Non-cash expenses related to the grant and vesting of stock awards, including RSAs, RSUs and PSUs, in Dutch Bros Inc. to certain eligible employees.

Expenses associated with equity offerings

Costs incurred as a result of our equity offerings, including secondary offerings by our Sponsor. These costs include, but are not limited to, legal fees, consulting fees, tax fees, and accounting fees.

Expenses associated with 2022 credit facility refinancing

Costs incurred as a result of refinancing our credit facility in May 2025, including write-off of unamortized loan costs related to the amendment and restatement of our 2022 Credit Facility, and intermediary fees and other costs related to our 2025 Credit Facility.

Executive transitions

Employee severance and related benefit costs, as well as sign-on bonus(es) for several executive-level transitions occurring in 2022 and 2023, and amortized through the first quarter of 2024.

TRAs remeasurements

(Gain) loss impacts related to adjustments of our TRAs liabilities.

Sale of Aircraft

Gain impact related to the sale of the Company airplane, hangar and related equipment to our Co-Founder.

Organization realignment and restructurings

Fees and costs, including consulting, employee-related and other costs, in connection with our comprehensive initiatives to develop and implement a long-term strategy involving changes to our organizational structure to support our growth. Our 2024 initiative resulted in realignment activities that occurred in 2023, and restructuring activities to expand our support center operations in Phoenix, Arizona including the build out and move into our new office, that commenced in 2024, and were substantially completed in March 2025. The activities related to our 2025 initiative, which commenced in May 2025 and are expected to continue through the first half of 2026, primarily relate to relocation and streamlining of our remaining back-office operations to our new Phoenix, Arizona corporate headquarters. Given the magnitude and scope of these strategic initiatives, we do not expect such costs will recur in the foreseeable future, and do not consider such expenditures reflective of the ongoing expenses necessary to operate our business. See NOTE 4 — Organization Realignment and Restructurings for detailed information.

The following are reconciliations of the most comparable GAAP metric to non-GAAP metrics (presented in dollars and as a percentage of revenue):

	Year Ended December 31,					
	2025		2024		2023	
(dollars in thousands; unaudited)	$	%	$	%	$	%
Company-operated shops gross profit	**330,389**	**21.9**	**259,959**	**22.3**	**180,235**	**21.0**
Depreciation and amortization	106,216	7.0	86,809	7.4	62,088	7.2
Company-operated shops contribution	**436,605**	**28.9**	**346,768**	**29.7**	**242,323**	**28.2**

	Year Ended December 31,					
	2025		2024		2023	
(dollars in thousands; unaudited)	$	%	$	%	$	%
Franchising and other gross profit	**93,557**	**72.6**	**80,170**	**69.6**	**71,061**	**65.9**
Depreciation and amortization	5,537	4.3	4,915	4.3	5,398	5.0
Franchising and other contribution	**99,094**	**76.9**	**85,085**	**73.9**	**76,459**	**70.9**

	Year Ended December 31,					
	2025		2024		2023	
(dollars in thousands; unaudited)	$	%	$	%	$	%
Net income	**117,275**	**7.2**	**66,450**	**5.2**	**9,952**	**1.0**
Depreciation and amortization	115,133	7.0	93,005	7.3	69,135	7.2
Interest expense, net	28,305	1.7	27,020	2.1	32,321	3.3
Income tax expense	18,348	1.1	18,435	1.4	6,967	0.8
EBITDA	**279,061**	**17.0**	**204,910**	**16.0**	**118,375**	**12.3**
Equity-based compensation	18,022	1.2	11,482	0.9	39,222	4.1
Expenses associated with equity offerings	—	—	1,489	0.1	—	—
Expenses associated with 2022 credit facility refinancing	2,000	0.1	—	—	—	—
Executive transitions	—	—	75	—	1,000	0.1
TRAs remeasurement	(4,767)	(0.3)	(4,247)	(0.3)	(2,638)	(0.3)
Legal proceedings	—	—	—	—	1,950	0.2
Sale of Aircraft	—	—	(1,302)	(0.1)	—	—
Organization realignment and restructurings:						
Consulting	—	—	—	—	2,153	0.2
Employee-related costs	7,607	0.5	15,549	1.2	—	—
Other costs	631	—	2,327	0.2	—	—
Total organization realignment and restructurings	8,238	0.5	17,876	1.4	2,153	0.2
Adjusted EBITDA	**302,554**	**18.5**	**230,283**	**18.0**	**160,062**	**16.6**

(dollars in thousands; unaudited)	Year Ended December 31, 2025 $	2025 %	2024 $	2024 %	2023 $	2023 %
Selling, general, and administrative	**262,766**	**16.0**	**234,036**	**18.3**	**205,074**	**21.2**
Depreciation and amortization	(3,380)	(0.2)	(1,281)	(0.2)	(1,648)	(0.2)
Equity-based compensation	(15,886)	(0.9)	(10,595)	(0.8)	(39,222)	(4.0)
Expenses associated with equity offerings	—	—	(1,489)	(0.1)	—	—
Executives transition	—	—	(75)	—	(1,000)	(0.1)
Legal proceedings	—	—	—	—	(1,950)	(0.2)
Organization realignment and restructurings:						
Consulting	—	—	—	—	(2,153)	(0.2)
Employee-related costs	(7,607)	(0.5)	(15,549)	(1.2)	—	—
Other costs	(631)	—	(2,327)	(0.2)	—	—
Total organization realignment and restructurings	(8,238)	(0.5)	(17,876)	(1.4)	(2,153)	(0.2)
Adjusted selling, general, and administrative	**235,262**	**14.4**	**202,720**	**15.8**	**159,101**	**16.5**

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Risks

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the costs of key operating resources, including beverage commodities, energy, and other commodities. We have been able to partially offset cost increases resulting from several factors, including market conditions, shortages or interruptions in supply due to weather or other conditions beyond our control, governmental regulations, and inflation by increasing our menu prices over the past year, and making operational adjustments that increase productivity. However, tariffs, sustained inflation of, or substantial increases in costs and expenses, including dairy, coffee, fuel, sugar, cocoa, and packaging commodities pricing, could impact our operating results to the extent that such costs and expenses remain elevated or increase and cannot be offset by menu price increases. Additionally, if there is a time lag between increasing commodity prices and our ability to increase menu prices or take other action in response, or if we choose not to pass on the cost increases by increasing menu prices, our operating results could be negatively affected.

Labor Costs

We have experienced minimum wage increases, which directly affect our labor costs, and other upward pressure on wage rates in several states, including in California beginning in April 2024. Additionally, several other states in which we operate have enacted increases their minimum wage requirements which became effective during 2025 or will become effective in 2026. In the future, we may or may not be able to offset these cost increases with operational efficiencies, menu price increases, or other adjustments. As of December 31, 2025, we employed approximately 22,000 hourly workers in our company-operated shops.

Interest Rate Risk

We have historically been exposed to interest rate risk through fluctuations in interest rates on our debt obligations. Our 2025 Credit Facility carries interest at a floating rate. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities, including through the use of interest rate swaps to mitigate the potential impacts of changes in benchmark interest rates on interest expense and cash flows. As of December 31, 2025, we had $50.0 million in revolving loans outstanding, and $148.1 million was outstanding on our term loan facility. A hypothetical increase of interest rates up to 1% on our outstanding term loan as of December 31, 2025 would result in an increase in our annual interest expense of approximately $2.0 million, excluding any potential impacts of interest rate swaps.

Impact of Inflation

The primary inflation factors affecting our operations are commodity and supply costs, energy costs, labor costs, and construction costs of company-operated shops. Increases in the minimum wage requirements directly affect our labor costs. Our leases require us to pay taxes, maintenance, repairs, insurance, and utilities, all of which are generally subject to inflationary increases. Finally, the total cost to build our shops is impacted by inflation. Specifically, increases in sitework and permitting, construction materials, labor, and equipment may increase our overall development costs and capital expenditures, and potentially result in higher rent expenses for new shops. We continue to encounter current commodity inflation, known or pending legislation that will increase minimum wages in certain states, and labor market forces that at times may cause us to increase wages in order to adequately staff our shops. We expect these to affect our operating results in the foreseeable future. While these cost increases have impacted our operating results, we have taken measures to gradually increase our menu prices, adjust our Dutch Rewards loyalty program, and make operating adjustments that increase productivity to help offset these pressures. Price increases and other inflationary pressures may lead to decreases in consumer demand.

ITEM 8. FINANCIAL STATEMENTS

Index to Consolidated Financial Statements

KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Dutch Bros Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Dutch Bros Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance

KPMG

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Measurement of the tax receivable agreements liability

As discussed in Note 2 to the consolidated financial statements, the Company has tax receivable agreements (TRAs), which are contractual commitments to pay an amount equal to 85% of certain tax attributes and benefits, deemed to be realized in certain circumstances by the Company, to the parties to the TRAs. As discussed in Note 11, the Company's liability related to obligations under the TRAs (TRA liability) was $821.0 million as of December 31, 2025.

We identified the measurement of the TRA liability as a critical audit matter. Subjective auditor judgment, including specialized skills and knowledge, was required in the evaluation of the Company's application of relevant tax law to determine the tax attributes and benefits subject to the TRAs. In addition, evaluation of the accuracy of the TRA liability required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the TRA liability. This included the internal controls over the application of relevant tax law and the accuracy of the TRA liability. We involved tax professionals with specialized skills and knowledge, who assisted in:

- developing an independent application of the relevant tax law to determine the tax attributes and benefits subject to the TRAs and comparing to the Company's application

- evaluating the accuracy of the TRA liability by comparing the TRA liability calculated by the Company to our independently calculated TRA liability.

/s/ KPMG LLP

We have served as the Company's auditor since 2020.

Portland, Oregon
February 12, 2026

DUTCH BROS INC.

Consolidated Balance Sheets

(in thousands, except per share amounts)	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 269,404	$ 293,354
Accounts receivable, net	18,387	10,598
Inventories, net	48,917	36,488
Prepaid expenses and other current assets	20,670	17,501
Total current assets	357,378	357,941
Property and equipment, net	824,502	683,971
Lease right-of-use assets, net	855,339	689,879
Deferred income tax assets, net	946,571	742,126
Other long-term assets	25,524	27,168
Total assets	**$ 3,009,314**	**$ 2,501,085**
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 37,625	$ 32,225
Other current liabilities	99,173	83,361
Deferred revenue	55,658	42,868
Current portion of tax receivable agreements liability	7,696	71
Current portion of lease liabilities	36,466	27,235
Current portion of long-term debt	3,881	17,311
Total current liabilities	240,499	203,071
Deferred revenue, net of current portion	8,918	8,015
Lease liabilities, net of current portion	852,380	678,608
Long-term debt, net of current portion	196,295	219,755
Tax receivable agreements liability, net of current portion	813,353	627,763
Other long-term liabilities	—	8
Total liabilities	2,111,445	1,737,220
Commitments and contingencies (Note 16)		
Preferred stock, $0.00001 par value per share - 20,000 shares authorized; zero shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	—	—
Class A common stock, $0.00001 par value per share - 400,000 shares authorized; 127,054 and 115,432 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	1	1
Class B common stock, $0.00001 par value per share - 144,000 shares authorized; 35,211 and 35,227 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	—	—
Class C common stock, $0.00001 par value per share - 105,000 shares authorized; 2,280 and 3,545 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	—	—
Additional paid-in capital	581,261	517,074
Accumulated other comprehensive income	48	628
Retained earnings	99,508	19,666
Total stockholders' equity attributable to Dutch Bros Inc.	680,818	537,369
Non-controlling interests	217,051	226,496
Total equity	897,869	763,865
Total liabilities and equity	**$ 3,009,314**	**$ 2,501,085**

See accompanying notes to consolidated financial statements.

DUTCH BROS INC.

Consolidated Statements of Operations

(in thousands, except per share amounts)	Year Ended December 31, 2025	2024	2023
Revenues			
Company-operated shops	$ 1,509,329	$ 1,165,830	$ 857,939
Franchising and other	128,830	115,185	107,837
Total revenues	1,638,159	1,281,015	965,776
Costs and Expenses			
Cost of sales	1,214,213	940,886	714,480
Selling, general and administrative	262,766	234,036	205,074
Total costs and expenses	1,476,979	1,174,922	919,554
Income from operations	161,180	106,093	46,222
Other expense			
Interest expense, net	(28,305)	(27,020)	(32,321)
Other income	2,748	5,812	3,018
Total other expense	(25,557)	(21,208)	(29,303)
Income before income taxes	135,623	84,885	16,919
Income tax expense	18,348	18,435	6,967
Net income	$ 117,275	$ 66,450	$ 9,952
Less: Net income attributable to non-controlling interests	37,433	31,192	8,234
Net income attributable to Dutch Bros Inc.	**$ 79,842**	**$ 35,258**	**$ 1,718**
Net income per share of Class A and Class D common stock[1]:			
Basic	**$ 0.64**	**$ 0.34**	**$ 0.03**
Diluted	**$ 0.64**	**$ 0.34**	**$ 0.03**
Weighted-average shares of Class A and Class D common stock outstanding[1]:			
Basic	125,329	103,504	62,074
Diluted	125,764	104,129	62,074

[1] Class D common shares were included in net income per share and weighted-average number of shares calculations in periods prior to June 2024. As of June 2024, all Class D common shares were converted to Class A common shares.

See accompanying notes to consolidated financial statements.

DUTCH BROS INC.

Consolidated Statements of Comprehensive Income

(in thousands)	Year Ended December 31, 2025	2024	2023
Net income	$ 117,275	$ 66,450	$ 9,952
Other comprehensive loss:			
Unrealized loss on derivative securities, effective portion, net of income tax (benefit) expense of $(224), $(83) and $10, respectively	(951)	(1)	(748)
Comprehensive income	116,324	66,449	9,204
Less: comprehensive income attributable to non-controlling interests	37,062	31,107	7,755
Comprehensive income attributable to Dutch Bros Inc.	**$ 79,262**	**$ 35,342**	**$ 1,449**

See accompanying notes to consolidated financial statements.

DUTCH BROS INC.

Consolidated Statements of Stockholders' Equity

Year Ended December 31, 2025

	Dutch Bros Inc. Stockholders' Equity										
	Class A Common Stock		Class B Common Stock		Class C Common Stock						
(in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-in-Capital	Accumulated Other Comprehensive Income	Retained Earnings	Non-Controlling Interests	Total Equity
Balance, December 31, 2024	**115,432**	**$ 1**	**35,227**	**$ —**	**3,545**	**$ —**	**$517,074**	**$ 628**	**$ 19,666**	**$ 226,496**	**$763,865**
Net income	—	—	—	—	—	—	—	—	79,842	37,433	117,275
Unrealized loss on derivative securities, effective portion, net of income tax benefit of $224	—	—	—	—	—	—	(108)	(580)	—	(371)	(1,059)
Equity-based compensation expense	—	—	—	—	—	—	12,794	—	—	5,228	18,022
Issuance of Class A common stock pursuant to vesting of equity awards, net of stock withheld for tax withholding obligations	358	—	—	—	—	—	(8,850)	—	—	(3,675)	(12,525)
Issuance of Class A common stock for conversion of Dutch Bros OpCo Class A common units, and for surrender and cancellation of Class C common stock, pursuant to exchange transactions	11,264	—	—	—	(1,264)	—	—	—	—	—	—
Effect of equity transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	41,193	—	—	(41,193)	—
Impacts of Tax Receivable Agreements	—	—	—	—	—	—	19,158	—	—	—	19,158
Reverse Split transaction pursuant to OpCo Recapitalization	—	—	(16)	—	(1)	—	—	—	—	—	—
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	—	—	(6,867)	(6,867)
Balance, December 31, 2025	**127,054**	**$ 1**	**35,211**	**$ —**	**2,280**	**$ —**	**$581,261**	**$ 48**	**$ 99,508**	**$ 217,051**	**$897,869**

DUTCH BROS INC.

Consolidated Statements of Stockholders' Equity (continued)

Year Ended December 31, 2024

	Dutch Bros Inc. Stockholders' Equity												
	Class A Common Stock		**Class B** Common Stock		**Class C** Common Stock		**Class D** Common Stock						
(in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-in-Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Non-Controlling Interests	Total Equity
Balance, December 31, 2023	**69,958**	**$ 1**	**60,629**	**$ 1**	**35,864**	**$ —**	**10,669**	**$ —**	**$379,391**	**$ 544**	**$ (15,592)**	**$ 311,576**	**$675,921**
Net income	—	—	—	—	—	—	—	—	—	—	35,258	31,192	66,450
Unrealized gain (loss) on derivative securities, effective portion, net of income tax benefit of $83	—	—	—	—	—	—	—	—	(338)	84	—	(85)	(339)
Equity-based compensation expense	—	—	—	—	—	—	—	—	6,980	—	—	4,502	11,482
Issuance of Class A common stock pursuant to vesting of equity awards, net of stock withheld for tax withholding obligations	83	—	—	—	—	—	—	—	1,743	—	—	(2,812)	(1,069)
Issuance of Class A common stock in exchange for surrender and cancellation of Class D common stock, and conversion of Dutch Bros OpCo Class A common units for surrender and cancellation of Class B and C common stock, pursuant to exchange transactions	45,391	—	(2,402)	—	(32,319)	—	(10,669)	—	—	—	—	—	—
Effect of exchange transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	—	—	115,989	—	—	(115,989)	—
Tax impacts of other equity-related transactions	—	—	—	—	—	—	—	—	388	—	—	—	388
Impacts of Tax Receivable Agreements	—	—	—	—	—	—	—	—	12,921	—	—	—	12,921
Class B common stock decoupled from Dutch Bros OpCo Class A common units, surrendered and cancelled	—	—	(23,000)	(1)	—	—	—	—	—	—	—	—	(1)
Distributions paid to non-controlling interest holders	—	—	—	—	—	—	—	—	—	—	—	(1,888)	(1,888)
Balance, December 31, 2024	**115,432**	**$ 1**	**35,227**	**$ —**	**3,545**	**$ —**	**—**	**$ —**	**$517,074**	**$ 628**	**$ 19,666**	**$ 226,496**	**$763,865**

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DUTCH BROS INC.

Consolidated Statements of Stockholders' Equity (continued)

Year Ended December 31, 2023

	Dutch Bros. Inc. Stockholders' Equity												
	Class A Common Stock		Class B Common Stock		Class C Common Stock		Class D Common Stock						
(in thousands)	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-in-Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Non-Controlling Interests	Total Equity
Balance, December 31, 2022	**45,544**	**$ 1**	**64,699**	**$ 1**	**41,056**	**$ —**	**12,411**	**$ —**	**$145,613**	**$ 813**	**$ (17,310)**	**$ 122,858**	**$251,976**
Net income	—	—	—	—	—	—	—	—	—	—	1,718	8,234	9,952
Unrealized loss on derivative securities, effective portion, net of income tax expense of $10	—	—	—	—	—	—	—	—	(217)	(269)	—	(479)	(965)
Equity-based compensation expense	—	—	—	—	—	—	—	—	15,177	—	—	24,045	39,222
Issuance of Class A common stock pursuant to vesting of equity awards, net of stock withheld for tax	140	—	—	—	—	—	—	—	(661)	—	—	(1,234)	(1,895)
Issuance of Class A common stock sold pursuant to follow-on offering, net of offering costs	13,269	—	—	—	—	—	—	—	330,081	—	—	—	330,081
Issuance of Class A common stock, in exchange for surrender and cancellation of Class D common stock, and conversion of Dutch Bros OpCo Class A common units for surrender and cancellation of Class C common stock, pursuant to exchange transactions	11,005	—	(4,070)	—	(5,192)	—	(1,742)	—	—	—	—	—	—
Impact of Tax Receivable Agreements	—	—	—	—	—	—	—	—	301	—	—	—	301
Effect of equity transactions of Dutch Bros OpCo Class A common units	—	—	—	—	—	—	—	—	(158,152)	—	—	158,152	—
Tax impacts of follow-on offering	—	—	—	—	—	—	—	—	46,594	—	—	—	46,594
Tax impacts of other equity-related transactions	—	—	—	—	—	—	—	—	655	—	—	—	655
Balance, December 31, 2023	**69,958**	**$ 1**	**60,629**	**$ 1**	**35,864**	**$ —**	**10,669**	**$ —**	**$379,391**	**$ 544**	**$ (15,592)**	**$ 311,576**	**$675,921**

See accompanying notes to consolidated financial statements.

DUTCH BROS INC.

Consolidated Statements of Cash Flows

(in thousands)	Year Ended December 31, 2025	2024	2023
Cash flows from operating activities:			
Net income	$ 117,275	$ 66,450	$ 9,952
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	115,133	93,005	69,135
Non-cash interest expense	824	1,113	887
Non-cash donation expense	—	1,811	—
(Gain) loss on disposal of assets	300	(1,277)	(23)
Loss on extinguishment of debt	809	—	—
Equity-based compensation	18,022	11,482	39,222
Deferred income taxes	17,617	15,421	5,946
Remeasurement gain on TRAs	(4,767)	(4,247)	(2,638)
Non-cash operating lease cost	20,666	15,765	11,413
Changes in operating assets and liabilities:			
Accounts receivable, net	(7,789)	(1,474)	2,842
Inventories, net	(12,429)	10,465	(7,724)
Prepaid expenses and other current assets	(3,656)	(2,282)	(4,775)
Other long-term assets	(1,961)	611	(578)
Accounts payable	3,706	3,658	3,903
Other current liabilities	20,426	29,618	15,921
Deferred revenue	13,693	13,858	5,571
Other long-term liabilities	(8)	—	—
Operating lease liabilities	(2,316)	(7,545)	(9,139)
Net cash provided by operating activities	295,545	246,432	139,915
Cash flows from investing activities:			
Purchases of property and equipment	(241,134)	(221,738)	(228,457)
Proceeds from disposal of property and equipment	66	9,666	1,177
Net cash used in investing activities	(241,068)	(212,072)	(227,280)
Cash flows from financing activities:			
Proceeds from line of credit	—	2,449	90,000
Payments on line of credit	—	(2,449)	(202,705)
Payments on finance lease liabilities	(16,105)	(10,541)	(12,432)
Proceeds from long-term debt	250,000	150,000	1,647
Payments on long-term debt	(286,685)	(11,053)	(2,613)
Payments of debt issuance costs	(1,547)	—	(1,350)
Proceeds from equity offering, net of underwriting discounts and commissions	—	—	331,200
Payment of deferred offering costs	—	—	(1,119)
Tax withholding payments upon vesting of equity awards	(12,525)	(1,069)	(1,896)
Distributions to non-controlling interest holders	(6,867)	(1,888)	—
Payments under tax receivable agreements	(4,698)	—	—
Net cash provided by (used in) financing activities	(78,427)	125,449	200,732
Net increase (decrease) in cash and cash equivalents	(23,950)	159,809	113,367
Cash and cash equivalents, beginning of period	293,354	133,545	20,178
Cash and cash equivalents, end of period	**$ 269,404**	**$ 293,354**	**$ 133,545**

DUTCH BROS INC.

Consolidated Statements of Cash Flows (continued)

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Supplemental disclosure of cash flow information			
Interest paid	$ 38,973	$ 39,103	$ 34,969
Income taxes paid	996	2,253	1,731
Supplemental disclosure of noncash investing and financing activities			
Additions of property and equipment recorded as liabilities as of end of period	10,804	12,635	13,880

See accompanying notes to consolidated financial statements.

DUTCH BROS INC.

Index for Notes to Consolidated Financial Statements

DUTCH BROS INC.

Notes to Consolidated Financial Statements

NOTE 1 — Organization and Background

Business

Dutch Bros Inc., a Delaware corporation, together with its subsidiaries (the Company, we, us, or our, collectively) operates and franchises drive-thru shops as well as sells and distributes coffee, coffee-related products, and accessories. As of December 31, 2025, there were 1,136 shops in operation in 25 U.S. states, of which 811 were company-operated and 325 were franchised.

Organization

Dutch Bros Inc. is the sole managing member of Dutch Bros OpCo and operates and controls all of the business and affairs of Dutch Bros OpCo. As a result, Dutch Bros Inc. consolidates the financial results of Dutch Bros OpCo and reports a non-controlling interest representing the economic interest in Dutch Bros OpCo held by the other members of Dutch Bros OpCo. The Company's fiscal year end is December 31. As of December 31, 2025, Dutch Bros Inc. held 100.0% of the voting interest and 71.6% of the economic interest of Dutch Bros OpCo. The Continuing Members held no voting interest and the remaining 28.4% of the economic interest of Dutch Bros OpCo.

Dutch Bros OpCo Recapitalization

From time to time, Dutch Bros Inc. receives cash distributions from Dutch Bros OpCo pursuant to the OpCo LLC Agreement. Dutch Bros Inc. may then loan any cash in excess of its liabilities back to Dutch Bros OpCo for operations, under the open-ended balance Subordinated Intercompany Note, between Dutch Bros OpCo and Dutch Bros Inc., dated February 28, 2022 (the Intercompany Note).

On February 7, 2025, Dutch Bros Inc. entered into a subscription agreement with Dutch Bros OpCo, pursuant to which Dutch Bros OpCo issued 51,942 newly authorized Dutch Bros OpCo Class A common units to Dutch Bros Inc. in exchange for satisfaction of the outstanding balance of the Intercompany Note, which at that time was approximately $3.5 million.

In accordance with the OpCo LLC Agreement, all outstanding Dutch Bros OpCo Class A common units were then recapitalized through a reverse unit split (the Reverse Split) in order to maintain a one-to-one ratio between the number of Dutch Bros OpCo Class A common units owned by Dutch Bros Inc. and the number of outstanding shares of Class A common stock. Consequently, 15,734 outstanding shares of Class B common stock, and 1,220 outstanding shares of Class C common stock, that were paired with Dutch Bros OpCo Class A common units eliminated as a result of the Reverse Split, were cancelled.

During 2025, in connection with various equity-related transactions by our Sponsor and Co-Founder, the Company issued approximately 11.3 million shares of Class A common stock in exchange for the cancellation of approximately 1.3 million shares of Class C common stock and conversion of approximately 11.3 million Dutch Bros OpCo Class A common units on a one-for-one basis. These transactions in total increased the Company's interest in Dutch Bros OpCo to 71.6% as of December 31, 2025.

During 2024, in connection with various equity-related transactions by our Sponsor and Co-Founder, the Company issued approximately 45.4 million shares of Class A common stock in exchange for approximately 10.7 million shares of Class D common stock and conversion of approximately 34.7 million Dutch Bros OpCo Class A common units on a one-for-one basis.

Further, in May 2024, pursuant to a share surrender agreement, among the Company, Dutch Bros OpCo, and our Co-Founder, our Co-Founder surrendered 23 million shares of Class B common stock, and the shares were cancelled by the Company. The surrender and cancellation of these shares had no impact on the economic interest in Dutch Bros OpCo held by our Co-Founder.

NOTE 2 — Basis of Presentation and Summary of Significant Accounting Policies

Financial Statements Presentation

Our consolidated financial statements as of December 31, 2025 and for the three years then ended have been prepared in accordance with GAAP and pursuant to the rules and regulations of the SEC.

Reclassifications

As of December 31, 2025, the following reclassifications were made to the prior year balance sheet presentation to better reflect the nature of the assets and liabilities:

- Goodwill and Intangibles, net were consolidated into Other long-term assets. See NOTE 7 — Other Long-Term Assets for additional details.
- Operating and finance lease right-of-use assets are presented within Lease right-of-use assets, net, and the related lease liabilities are presented within Current portion of lease liabilities and Lease liabilities, net of current portion, on the Consolidated Balance Sheets. See NOTE 8 — Leases for additional details.
- The separate balance sheet line items of Accrued compensation and benefits, Other accrued liabilities and Other current liabilities have been combined into a single line item titled Other current liabilities. See NOTE 5 — Supplemental Financial Information for additional details.

Principles of Consolidation

The consolidated financial statements include the accounts of our Company and subsidiaries that we control due to ownership of a majority voting interest or pursuant to accounting guidance for non-controlling interests. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The presentation of consolidated financial statements in conformity with GAAP requires that we make estimates and assumptions, primarily related to long-lived asset valuation, leases, deferred revenue, tax receivable agreements, income taxes, and equity-based compensation that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Although we base our estimates on historical experience and assumptions that are believed to be reasonable under the circumstances, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid instruments with original maturities of three months or less at the time of purchase, as well as credit card receivables for sales to customers in company-operated shops that generally settle within two to five business days. Our cash accounts are maintained at various high credit quality financial institutions and may exceed federally insured limits. We have not experienced any losses in such accounts.

Fair Value Measurements

We apply fair value accounting for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in our consolidated financial statements. We categorize assets and liabilities, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. The three levels of the hierarchy are defined as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices in active markets for identical assets or liabilities, quoted prices for identical assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs that are both unobservable and significant to the overall fair value measurements reflecting an entity's estimates of assumptions that market participants would use in pricing the asset or liability.

Our consolidated balance sheets include cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable, and other current liabilities, for which the carrying amounts approximate fair value due to their short-term maturity. The fair value of our variable-rate credit facilities approximate their carrying amounts as the cost of borrowing is variable and approximates current market prices, which is considered Level 2 in the fair value hierarchy.

Derivative Instruments

We manage exposure to fluctuations in interest rates within our consolidated financial statements according to a hedging policy. Under this policy, we may from time to time enter into interest rate swap agreements to fix a portion of interest expense and hedge interest rate risk. A swap agreement is a contract between two parties to exchange cash flows based on specified underlying notional amounts, assets and/or indices. We do not enter into derivative instruments for speculative purposes or for any other purpose other than to manage its risks related to fluctuations in interest rates.

By using swap instruments, we are exposed to potential credit risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. We minimize this credit risk by entering into transactions with carefully selected, credit-worthy counterparties.

Cash Flow Hedges

Cash flow hedges related to anticipated transactions are designated and documented at the inception of each hedge. Cash flows from hedging transactions are classified in the same categories as the cash flows from the respective hedged items.

For derivative instruments that are designated and qualify as a cash flow hedge, the derivative's gain or loss is reported as a component of other comprehensive income and recorded in accumulated other comprehensive income on the Company’s consolidated balance sheets. The gain or loss is subsequently reclassified into net earnings when the hedged exposure affects net earnings, in the same line item as the underlying hedged item on our consolidated statements of operations.

We may discontinue hedge accounting when:

- it is determined that the cash flow derivative is no longer effective in offsetting changes in the cash flows of a hedged item;
- the derivative expires or is sold, terminated or exercised;
- it is no longer probable that the forecasted transaction will occur; or
- management determines that designation of the derivatives as a hedge instrument is no longer appropriate.

Refer to NOTE 10 — Derivative Financial Instrument for further discussion of the Company's derivative instruments.

Accounts Receivable

Accounts receivable, net of allowance for credit losses, consist primarily of royalty revenues, outstanding balances for sales of roasted coffee beans, Dutch Bros Rebel, retail gift cards, other retail-related supplies to franchisees, and vendor rebates. The allowance for credit losses is estimated based on our historical losses adjusted for current, reasonable and supportable forecasts of economic conditions and other pertinent factors affecting our customers and vendors, including review of specific accounts, financial stability and credit worthiness. Accounts receivable are charged off against the allowance for credit losses when the financial condition of our customers and vendors is adversely affected and they are unable to meet their financial obligations. We had no allowance for credit losses at December 31, 2025 and 2024.

Inventories

Inventories, net consist primarily of roasted and unroasted coffee beans, Dutch Bros Rebel, and other retail related supplies. Inventories are stated at the lower of cost or net realizable value, with cost being determined on a first-in, first-out basis. We record product returns as they are received, and obsolete and slow-moving inventory when identified, as these types of transactions have generally been immaterial to our historical operations.

Property and Equipment

Property and equipment, net are stated at cost less accumulated depreciation. Expenditures for maintenance, repairs, and routine replacements are charged to expense as incurred. Expenditures for major repairs and improvements that extend the useful lives of property and equipment are capitalized. When property or equipment is sold or otherwise disposed of, the asset and related accumulated depreciation are removed from the balance sheet and any gain or loss is included in income from operations in the accompanying consolidated statements of operations. Depreciation is computed on a straight-line basis over the following useful lives:

(in years)	Estimated Useful Life
Software	3
Equipment and fixtures	3 - 7
Leasehold improvements	5 - 15 [1]
Buildings	10 - 39

1 Lesser of lease term or useful life

We capitalize costs associated with the acquisition or development of major software for internal use and amortize the assets over the expected life of the software, generally 3 years. We only capitalize subsequent additions, modifications, or upgrades to internal-use software to the extent that such changes allow the software to perform a task it previously did not perform. Software maintenance and training costs are expensed as incurred.

Leases

We lease our company-operated shops, warehouse facilities, headquarters buildings, and certain equipment under non-cancelable lease agreements that expire on various dates through 2050. Our real estate leases consist of build-to-suit and commercial ground leases with typical initial terms of 15 or 20 years, respectively and include one to three renewal periods of five-years each. Renewals are included in the lease term when it is reasonably certain that the renewal period will be exercised. We recognize a right-of-use asset and lease liability for each lease with a contractual term of greater than 12 months at lease inception, and have elected not to recognize leases with terms of 12 months or less.

We calculate right-of-use assets and lease liabilities based on the present value of the fixed minimum lease payments, including any estimated lease incentives, at lease commencement using an estimated incremental borrowing rate corresponding to the lease term and applied on a portfolio basis. We’ve elected not to separate lease and non-lease components on real estate leases.

Lease classification is determined as operating or finance at lease commencement, and expense recognition occurs over the lease term from the date we take possession of the property. For operating leases, expense is recognized on a straight-line basis; for finance leases, expense is recognized on an accelerated basis. We record lease expense in cost of sales and selling, general and administrative expense on our consolidated statements of operations. Variable lease costs are expensed as incurred and recognized in cost of sales on the consolidated statements of operations.

From time to time we may have sale and leaseback transactions that do not qualify for sale-leaseback accounting because of our deemed continuing involvement. Additionally, we may procure a building related to an acquired lease in an asset acquisition. Both of these types of transactions are recorded under the financing method. These financing obligations are included in long-term debt on our consolidated balance sheets.

For additional information, see NOTE 8 — Leases and NOTE 9 — Debt to the consolidated financial statements.

Goodwill

Recoverability of goodwill is reviewed by reporting unit at least annually, as of the beginning of our fourth fiscal quarter, and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The annual impairment test includes an option to perform a qualitative assessment of whether it is more likely than not that a reporting unit’s fair value is less than its carrying value; the qualitative test may be performed prior to, or as an alternative to, performing a quantitative goodwill impairment test. If, after assessing the totality of events or circumstances, it is determined that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, we are required to perform the quantitative goodwill impairment test. Otherwise, no further analysis is required. We performed the annual qualitative impairment assessments for each of the three years in the period ended December 31, 2025, and no impairment charges were recognized, nor were there any accumulated impairment losses.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The assessment of recoverability of property and equipment and finite-lived intangible assets is performed at the component level, which is generally an individual shop, and requires judgment and an estimate of future undiscounted shop-generated cash flows. Estimates of fair values are based on the best information available and require the use of estimates, judgments, and projections. We test for recoverability by comparing the carrying value of the asset to the undiscounted cash flows. If the carrying value is not recoverable, we would recognize an impairment loss if the carrying value of the asset exceeds the fair value. We performed the annual assessments for each of the three years in the period ended December 31, 2025, and no impairment charges were recognized, nor were there any accumulated impairment losses.

Revenue Recognition

Consolidated revenues are recognized net of any discounts, returns, allowances and sales incentives.

Company-operated Shops Revenue

Retail sales from company-operated shops are recognized at the point in time when the products are sold to the customers. We report revenues net of sales taxes collected from customers and remitted to government taxing authorities.

Loyalty Program

The Company operates Dutch Pass, our digital loyalty program accessible via mobile app, which provides customers the opportunity to collect points based on purchases. Points can be redeemed for rewards which include free drinks. Additionally, customers can receive birthday and other promotional awards within Dutch Pass.

Points earned and not redeemed for rewards within 180 days automatically expire, and rewards that are not used within 180 days of issuance automatically expire. Separately, birthday and other promotional awards generally automatically expire after 30 days, depending on the specific award.

We defer revenue based on the estimated value of beverages for which the points, rewards, and awards are expected to be redeemed. Based on historical expiration rates, a portion of points, rewards, and awards are not expected to be redeemed and are recognized as breakage.

Gift Card Program

We maintain a contract liability for physical gift cards sold at Company-owned shops, digital gift cards, and retail gift cards purchased at third party retails stores, recognizing revenue when a gift card is redeemed. Gift cards do not have an expiration date or a service fee causing a decrement to the customer balance. Program costs related to retail gift cards sales are deferred and recognized in selling general and administrative expenses in the period in which the gift cards are redeemed. Based on historical redemptions rates, a portion of gift cards are not expected to be redeemed and are recognized as breakage. Our breakage income is not material.

Franchising Revenue

Franchise royalty fees are generally computed as a percentage of net franchise sales and are charged for continuing support of franchisees for various services provided by us. These services are highly interrelated, and as such are accounted for as a single performance obligation.

Separately, we receive marketing fees from franchisees for promotion of the Dutch Bros brand. Contributions are based on a percentage of shop sales and marketing expenditures include payments to third parties and other costs. We determined our advertising and promotion management services do not represent individually distinct performance obligations and are included in the franchise performance obligation.

Initial and other deferred franchise fees are recorded as a contract liability, and revenue is recognized ratably over the term of the franchise agreement, which is generally ten years.

Other franchising revenue, including coffee bean sales, Dutch Bros Rebel energy drink sales, and other sales, are recognized when shipped.

Other Revenue
Other revenue includes retail coffee and other food and beverage sales, recognized at the date of sale, as well as sales of products through our website, recognized at the point in time of shipment to customers.

Deferred Revenue
Deferred revenue primarily consists of the unredeemed gift card liability and unredeemed points/rewards from our Dutch Rewards loyalty program. Deferred revenue also includes bean and beverage sales to distributors where the performance obligation has not yet been satisfied as control has not transferred to the customer.

Shop Pre-opening Expenses

Pre-opening expenses incurred with the opening of new company-operated shops are expensed as incurred. These costs include rent expense, wages, benefits, travel and lodging for the training and opening management teams, and beverage and other operating expenses incurred prior to a shop opening for business and are included in cost of sales.

Vendor Rebates

We have food and beverage supply agreements with certain major vendors. Per the terms of these arrangements, vendor rebates are provided to us based on the dollar value of purchases for systemwide shops. These rebates are recognized as earned throughout the year and are recorded as accounts receivable and a reduction to cost of sales.

Advertising Expense

Advertising costs are expensed as incurred. Company-operated shop advertising expenses are included within Cost of sales; company-wide promotions and initiatives are included within Selling, general and administrative expenses. See NOTE 5 — Supplemental Financial Information for additional details.

Equity-based Compensation

The Company granted time-based RSAs to certain officers and employees in connection with the IPO which, as of December 31, 2024, had each fully vested. Additionally, the Company grants time-based RSUs to directors and certain employees. These awards vest over a three-year service period with one-third of the award value vesting annually. The RSUs are accounted for as equity-classified awards, and are granted at the fair value of the underlying Class A common stock of Dutch Bros Inc. as of the grant date.

In 2025, the Company granted PSUs to a small group of senior management employees. The PSUs are subject to a three-year plus maximum 90-day service period and a market condition. The number of shares of Dutch Bros Inc.'s Class A common stock to be received at vesting range from 0% to 200% of the target amount. The payout percentage is based on TSR performance measured during a three-year performance period that commences on the grant date of any given award and ends three years from that date. TSR performance is measured based on Dutch Bros Inc.'s stock price appreciation compared to peer companies' stock price appreciation during the performance period. The PSUs are accounted for as equity-classified awards, valued upon grant using the Monte Carlo Simulation model.

Vesting of all awards granted are subject to the grantee’s continued service at Dutch Bros through the applicable vesting date. The cost of the Company’s equity awards is recognized as expense over the grantee’s requisite service period, and forfeitures are accounted for as they occur.

Tax Receivables Agreements

In connection with the IPO, the Company executed two TRAs which provide for payment by the Company to certain Dutch Bros OpCo owners of 85% of the benefits, if any, that the Company would be deemed to realize (calculated using certain assumptions) as a result of certain tax attributes and benefits covered by the TRAs.

The Company expects to obtain an increase in its share of the tax basis in the net assets of Dutch Bros OpCo when OpCo Units are exchanged by Pre-IPO Dutch Bros OpCo Unitholders. The Company treats any redemptions and exchanges of OpCo Units as direct purchases for U.S. federal income tax purposes. These increases in tax basis may reduce the amounts that it would otherwise pay in the future to various tax authorities. They may also decrease gains (or increase losses) on future dispositions of certain capital assets to the extent tax basis is allocated to those capital assets.

TRA-related liabilities are classified on the Company's consolidated balance sheets as current or non-current assets based on the expected date of payment under the captions "Current portion of tax receivable agreements liability" and "Tax receivable agreements liability, net of current portion," respectively.

Income Taxes

The Company is a corporation and sole managing member of Dutch Bros OpCo which is treated as a partnership for tax purposes.

The Company records income tax provision, deferred tax assets, deferred tax liabilities, uncertain tax positions, and valuation allowance, as applicable, only for the items for which the Company is responsible to the relevant tax authority.

Deferred income taxes result from temporary differences between the financial reporting and tax basis of assets and liabilities, and are measured using the enacted tax rates and laws expected to be in effect when such differences are expected to reverse. These temporary differences are reflected as deferred income tax assets, net on the consolidated balance sheets. A deferred tax asset is recognized if it is more likely than not that a tax benefit will be realized.

The Company recognizes tax benefits from entity-level uncertain tax positions if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Income Per Share

Basic income per share of Class A and Class D common stock is computed by dividing net income attributable to Dutch Bros Inc. by the weighted-average number of shares of Class A and Class D common stock outstanding during the period. Diluted income per share of Class A and Class D common stock is computed by dividing net income attributable to Dutch Bros Inc., adjusted for the assumed exchange of all potentially dilutive instruments for Class A common stock, by the weighted-average number of shares of Class A and Class D common stock outstanding, adjusted to give effect to potentially dilutive elements. Share counts used in the diluted income per share calculations are adjusted for the deemed repurchases provided for in the treasury stock method for RSAs, RSUs and PSUs, and under the if-converted method for the outstanding convertible Class B and Class C common stock, if dilutive.

As of June 2024, all Class D common shares were converted to Class A common shares.

Shares of the Company's Class B and Class C common stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted income (loss) per share of Class B and Class C common stock under the two-class method has not been presented.

Recently Issued Accounting Standards

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software.* The intent of this ASU is to address businesses' shift from using prescriptive and sequential software development methods to using incremental and iterative development methods. The amendments in this ASU remove all references to prescriptive and sequential software development stages, and also provides criteria for when an entity is required to start capitalizing software costs. ASU 2025-06 is effective for all entities' annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods using a prospective transition, modified transition or retrospective transition approach. Early adoption is permitted as of the beginning of an annual reporting period. We are currently assessing potential impacts of this standard on our business processes and future disclosures.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40).* The intent of this ASU is to improve public entity financial footnote disclosures around types of expenses in commonly presented expense categories (i.e., cost of sales; selling, general, and administrative expense; and research and development expense). The amendments in this ASU do not change or remove current expense disclosure requirements, but rather 1) impact where this information appears in the notes to the consolidated financial statements and 2) add additional disclosure requirements for certain expense line items appearing on the face of our consolidated statements of operations. ASU 2024-03, as amended, is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently assessing potential impacts of this standard on our business processes and future disclosures.

Recently Adopted Accounting Standards

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this update are intended to enhance the transparency and decision usefulness of income tax disclosures, primarily through improvements to the rate reconciliation and income taxes paid information, specifically requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation, and (2) income taxes paid disaggregation by jurisdiction. We adopted ASU 2023-09 on a retrospective basis, and the standard has had no material impact on our consolidated financial statements. We have, however, provided additional detail and disclosures under the new guidance in NOTE 12 — Income Taxes.

NOTE 3 — Revenue Recognition

Revenue

The following table disaggregates revenue by major component:

(in thousands)	Year Ended December 31, 2025	2024	2023
Company-operated shops	$ 1,509,329	$ 1,165,830	$ 857,939
Franchising	122,046	109,610	101,907
Other	6,784	5,575	5,930
Total revenues	**$ 1,638,159**	**$ 1,281,015**	**$ 965,776**

Deferred Revenue

Components of our deferred revenue liability are as follows:

(in thousands)	December 31, 2025	December 31, 2024
Gift card and loyalty programs	$ 62,014	$ 48,265
Initial unearned franchise fees	2,562	2,618
Total deferred revenue	**$ 64,576**	**$ 50,883**

Deferred revenue activity was as follows:

	Year Ended December 31,	
(in thousands)	2025	2024
Beginning balance	**$ 50,883**	**$ 37,025**
Revenue deferred [1]	567,005	419,107
Revenue recognized [2]	(553,256)	(405,458)
Other deferred revenue, net	(56)	209
Ending balance	**64,576**	**50,883**
Less: current portion	(55,658)	(42,868)
Deferred revenue, net of current portion	**$ 8,918**	**$ 8,015**

[1] Revenue deferred includes gift card activations, loyalty app cash loads and loyalty points and rewards earned.
[2] Revenue recognized includes redemptions of gift cards, loyalty app and loyalty rewards redemptions, and breakage.

Revenue recognized during each of the three years in the period ended December 31, 2025, that was included in the respective deferred revenue liability balances at the beginning of the period, are shown below.

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Gift card redemptions [1]	$ 8,072	$ 6,215	$ 5,149
Earned franchise fees	430	450	454

[1] Amounts exclude cash loads and transactions related to our loyalty rewards program.

Future recognition of initial unearned franchise fees as of December 31, 2025 is as follows:

(in thousands)	
2026	427
2027	382
2028	333
2029	288
2030	256
Thereafter	876
Total	**$ 2,562**

NOTE 4 — Organization Realignment and Restructurings

On January 29, 2024, our Board of Directors approved an organizational realignment and restructuring plan to expand support operations at our Phoenix, Arizona office. As part of this large-scale initiative, we relocated certain support center staff from our Grants Pass, Oregon headquarters to the Phoenix office. As of March 31, 2025, this initiative was substantially complete, including the build-out and move into our new Phoenix office location. We incurred total aggregate charges of approximately $19.1 million related to this initiative, consisting of (i) approximately $16.6 million in employee-related costs, including relocation, retention and transition costs, termination benefits, and duplicate transition wages and benefits; and (ii) approximately $2.5 million in other costs, including the donation of a building, consulting fees, and duplicate rent. Substantially all of the charges have resulted in current or expected future cash expenditures.

On May 13, 2025, our Board of Directors approved the plan for an additional restructuring program, primarily related to the relocation and streamlining of our remaining back-office operations from our former Grants Pass, Oregon headquarters to our newly-designated Phoenix office corporate headquarters. Affected employees were either offered an opportunity to relocate and continue employment in the Phoenix office or were offered a severance package; these communications were largely completed by May 20, 2025. During the year ended December 31, 2025, we incurred approximately $7.0 million in charges for this program and expect to incur total aggregate charges of approximately $9.0 million through completion, consisting of (i) employee-related costs, including relocation, retention and transition costs, termination benefits, and duplicate transition wages and benefits; and (ii) other costs, including consulting fees. As of December 31, 2025, substantially all of our headquarters employees have been relocated to our Phoenix office. We expect this program to be completed by the end of the second quarter of 2026.

During the years ended December 31, 2025 and 2024 we recorded restructuring charges for employee-related and other costs in selling, general and administrative expenses on the consolidated statements of operations as follows:

	Year Ended December 31,	
(in thousands)	2025	2024
Relocation and travel costs	$ 3,288	$ 11,403
Termination benefits	4,319	4,146
Total employee-related costs	7,607	15,549
Duplicate rent	244	461
Consulting	387	55
Total other costs	631	2,327
Total restructuring costs incurred	**$ 8,238**	**$ 17,876**

As of December 31, 2025 and 2024, the accruals for corporate restructuring costs are included in accounts payable, and other current liabilities on the consolidated balance sheets. The following table summarizes the activity for the restructuring liabilities during the year ended December 31, 2025:

(in thousands)	December 31, 2024	Charges	Cash Payments	December 31, 2025
Relocation and travel costs	$ 698	$ 3,288	$ (3,818)	$ 168
Termination benefits	2,028	4,319	(4,400)	1,947
Total employee-related costs	2,726	7,607	(8,218)	2,115
Duplicate rent	—	244	(244)	—
Consulting	55	387	(433)	9
Total other costs	55	631	(677)	9
Totals	**$ 2,781**	**$ 8,238**	**$ (8,895)**	**$ 2,124**

NOTE 5 — Supplemental Financial Information

Inventories

Inventories, net consisted of the following:

(in thousands)	December 31, 2025	December 31, 2024
Raw materials	$ 25,516	$ 14,594
Finished goods	23,401	21,894
Total inventories	**$ 48,917**	**$ 36,488**

Other current liabilities

Other current liabilities consisted of the following:

(in thousands)	December 31, 2025	December 31, 2024
Accrued compensation and benefits	$ 50,314	$ 49,778
Sales, use and property taxes payable	15,354	4,667
Other accrued liabilities	33,505	28,916
Other current liabilities	**$ 99,173**	**$ 83,361**

Employee benefit plan contribution

Our 401(k) plan covers substantially all employees who meet certain requirements. Contributions to the 401(k) plan are determined by each participant by means of an elective compensation deferral, subject to annual limits. We match 100% of employee contributions, up to 4% of eligible compensation. The total employer matching contributions to the 401(k) plan recognized in our consolidated statements of operations were as follows:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Cost of sales	$ 45	$ 62	$ 60
Selling, general, and administrative expenses	3,426	2,909	2,281
Total employer matching contributions	**$ 3,471**	**$ 2,971**	**$ 2,341**

Advertising expense

Advertising expenses consisted of the following for the periods presented:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Cost of sales	$ 26,270	$ 21,897	$ 18,946
Selling, general and administrative	12,752	17,313	10,953
Total advertising expense	**$ 39,022**	**$ 39,210**	**$ 29,899**

NOTE 6 — Property and Equipment

Property and equipment, net consisted of the following:

(dollars in thousands)	Useful Life (Years)	December 31, 2025	December 31, 2024
Software	3	$ 14,630	$ 10,666
Equipment and fixtures	3 – 7	305,116	229,307
Leasehold improvements	5 – 15	68,023	54,535
Buildings	10 – 39	616,299	487,060
Land	N/A	7,022	7,022
Construction-in-progress [1]	N/A	75,225	71,951
Property and equipment, gross		1,086,315	860,541
Less: accumulated depreciation		(261,813)	(176,570)
Property and equipment, net		**$ 824,502**	**$ 683,971**

[1] Construction-in-progress primarily consisted of construction and equipment costs for new and existing shops.

Depreciation expense included in our consolidated statements of operations was as follows:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Cost of sales	$ 82,850	$ 63,707	$ 42,807
Selling, general, and administrative	3,339	1,229	1,634
Total depreciation expense	**$ 86,189**	**$ 64,936**	**$ 44,441**

NOTE 7 — Other Long-Term Assets

The details of other long-term assets were as follows:

(dollars in thousands)	December 31, 2025	December 31, 2024
Reacquired franchise rights[1]	$ 27,049	$ 27,049
Less: accumulated amortization	(25,539)	(24,102)
Reacquired franchise rights, net	**1,510**	**2,947**
Goodwill	21,629	21,629
Other	2,385	2,592
Total other long-term assets, net	**$ 25,524**	**$ 27,168**

[1] Weighted-average amortization periods (in years) were 2.93 and 2.94 for the years ended December 31, 2025 and 2024, respectively.

Amortization expense of reacquired franchise rights included in our consolidated statements of operations was as follows:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Cost of sales	$ 1,437	$ 2,468	$ 3,389

The estimated future amortization expense of the reacquired franchise rights as of December 31, 2025 is as follows:

(in thousands)	
2026	682
2027	383
2028	247
2029	153
2030	42
Thereafter	3
Total	**$ 1,510**

NOTE 8 — Leases

A summary of finance and operating lease right-of-use assets and lease liabilities as of December 31, 2025 and December 31, 2024 is as follows:

(in thousands)	Balance Sheet Classification	December 31, 2025	December 31, 2024
Right-of-use assets			
Finance leases		$ 406,381	$ 374,623
Operating leases		448,958	315,256
	Lease right-of-use assets, net	**$ 855,339**	**$ 689,879**
Lease liabilities			
Current lease liabilities			
Finance leases		$ 17,298	$ 13,256
Operating leases		19,168	13,979
	Current portion of lease liabilities	**36,466**	**27,235**
Non-current lease liabilities			
Finance leases		402,697	369,297
Operating leases		449,683	309,311
	Lease liabilities, net of current portion	**852,380**	**678,608**
Total lease liabilities		$ 888,846	$ 705,843

The components of lease costs, excluding short-term lease costs and sublease income (both immaterial for the periods presented), were as follows:

(in thousands)	Statements of Operations Classification	Year Ended December 31, 2025	2024	2023
Finance lease costs				
Amortization of right-of-use assets	Cost of sales	$ 27,467	$ 25,551	$ 21,290
Amortization of right-of-use assets	Selling, general, and administrative	40	50	15
Interest on lease liabilities	Interest expense	23,289	22,053	17,516
Total finance lease costs		50,796	47,654	38,821
Operating lease costs				
Lease expenses	Cost of sales	40,829	28,703	19,385
Lease expenses	Selling, general, and administrative	2,835	1,646	55
Total operating lease costs		43,664	30,349	19,440
Variable lease costs	Cost of sales	9,652	6,874	5,216
Total lease costs		**$ 104,112**	**$ 84,877**	**$ 63,477**

Future minimum lease payments for finance and operating lease liabilities as of December 31, 2025 are as follows:

(in thousands)	Finance	Operating
2026	$ 41,575	$ 35,367
2027	40,644	46,409
2028	41,786	45,965
2029	42,715	46,706
2030	43,118	47,384
Thereafter	431,664	544,593
Total	$ 641,502	$ 766,424
Less: imputed interest	(221,507)	(297,573)
Present value of minimum lease payments	419,995	468,851
Less: current portion	(17,298)	(19,168)
Lease liabilities, net of current portion	$ 402,697	$ 449,683

A summary of lease terms and discount rates for finance and operating leases is as follows:

	December 31, 2025	December 31, 2024
Weighted-average remaining lease term (years)		
Finance leases	14.5	15.3
Operating leases	15.5	15.5
Weighted-average discount rate (percentages)		
Finance leases	6.0%	6.0%
Operating leases	6.3%	5.9%

Supplemental cash flow information related to leases is as follows for the periods presented:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from finance leases	$ 23,289	$ 22,053	$ 17,516
Operating cash flows from operating leases[1]	25,316	22,127	17,167
Financing cash flows from finance leases	16,105	10,541	12,432
Right-of-use assets obtained in exchange for lease obligations			
Finance leases	53,547	15,838	144,588
Operating leases	148,332	130,059	40,253

[1] For the year ended December 31, 2025, the amount presented is net of a $5.4 million tenant improvement allowance received from the landlord related to our Arizona headquarters office lease.

NOTE 9 — Debt

Credit Facility

On May 29, 2025 (the Effective Date), we amended and restated our existing $650 million senior secured credit facility, dated February 28, 2022 (as previously amended, the 2022 Credit Facility), with JPMorgan Chase Bank, N.A. as administrative agent (Administrative Agent) and other financial institutions as the lenders party thereto (the 2025 Credit Facility). The 2025 Credit Facility consists of a $500 million revolving credit facility and a term loan facility of up to $150 million. The 2025 Credit Facility also includes sublimits for letters of credit and swingline loans of up to $100 million and $20 million, respectively. The 2025 Credit Facility expires on May 29, 2030 (the Maturity Date). It also contains an option allowing the Loan Parties to increase the size of the 2025 Credit Facility by up to an additional (i) $230 million or (ii) 80% of EBITDAR, whichever is greater, with the agreement of the Administrative Agent and the applicable lenders party thereto.

On the Effective Date, we drew the full $150 million in term loan and $50 million in revolving loans under the 2025 Credit Facility, and all outstanding debt under the 2022 Credit Facility was repaid. As a result of the amendment and restatement, we recognized a loss on debt extinguishment of approximately $2.0 million, comprised of: (i) approximately $1.2 million of fees to intermediaries and other costs related to the 2025 Credit Facility, and (ii) the write-off of approximately $0.8 million unamortized loan costs related to the 2022 Credit Facility. These expenses were recognized in Other income (expense), net on our consolidated statements of operations. In addition, we capitalized approximately $1.5 million of debt issuance costs related to the 2025 Credit Facility in Long-term debt, net of current portion on our consolidated balance sheets.

Interest on borrowings under the 2025 Credit Facility is based on (i) the Alternate Base Rate plus an applicable margin, or (ii) the Term SOFR Rate plus an applicable margin (each as defined in the 2025 Credit Facility), and is payable in accordance with the selected interest rate period and upon maturity. Principal payments for the term loans are required on a quarterly basis in accordance with an amortization schedule up through and including the Maturity Date.

We are required to pay a commitment fee on a quarterly basis, at a per annum rate of between 0.20% and 0.45%, depending on the Net Lease-Adjusted Total Leverage Ratio (as defined in the 2025 Credit Facility), based on the average daily unused portion of the revolving credit facility. These fees are recorded as interest expense on our consolidated statements of operations.

The 2025 Credit Facility contains financial covenants that require us to not exceed a maximum Net Lease-Adjusted Total Leverage Ratio and maintain a minimum Coverage Ratio (as defined in the 2025 Credit Facility). The 2025 Credit Facility also contains certain negative covenants that, among other things, restrict our ability to incur additional debt, grant liens on assets, merge with or acquire other companies, make other investments, dispose of assets, and make restricted payments. Obligations under the 2025 Credit Facility are guaranteed by Dutch Bros OpCo and its subsidiaries, and secured by a first priority perfected security interest in substantially all of the assets of the guarantors.

As of December 31, 2025, $50.0 million was outstanding on our revolving credit facility, and $435.8 million was available for borrowing, net of $14.2 million in letters of credit, and approximately $148.1 million of principal was outstanding on the term loan facility. The revolving loan and term loan both bear interest at approximately 5.22% as of December 31, 2025, excluding any impacts from our interest rate swap. We were in compliance with our financial covenants as of that date.

Long-Term Debt

Our long-term debt consisted of the following for the periods presented:

(in thousands)	December 31, 2025	December 31, 2024
Term loan under credit facility	$ 148,125	$ 234,688
Revolving loan under credit facility	50,000	—
Finance obligations[1]	4,162	3,022
Unsecured note payable	176	299
Total debt	202,463	238,009
Less: loan origination fees	(2,287)	(943)
Less: current portion	(3,881)	(17,311)
Total long-term debt, net of current portion	**$ 196,295**	**$ 219,755**

[1] Represents failed sale-leaseback arrangements, and also in 2025, a consideration payable associated with acquired leases.

Future annual maturities of long-term debt as of December 31, 2025 are as follows:

(in thousands)	
2026	3,881
2027	5,670
2028	7,500
2029	11,250
2030	170,000
Thereafter	4,162
Total	**$ 202,463**

NOTE 10 — Derivative Financial Instrument

We have a receive-variable (Receive Leg), pay-fixed (Pay Leg) interest rate swap with JPMorgan Chase Bank, N.A. As of December 31, 2025, the interest rate swap had a notional amount of approximately $59.1 million and hedges interest rate risk on the term loan under the 2025 Credit Facility. The interest rate swap matures on February 28, 2027, and has a fixed rate of 2.67% per annum for the Pay Leg. The variable rate on the Receive Leg of the interest rate swap is the one-month adjusted term SOFR plus an applicable margin. As of December 31, 2025, the one-month adjusted term SOFR was 3.72%.

Our interest rate swap has been designated as a cash flow hedge, and as such, we record the change in fair value for the effective portion of the interest rate swap in AOCI rather than in current period earnings until the underlying hedged transaction affects earnings. As of December 31, 2025, we expect to reclassify a gain of approximately $0.5 million from AOCI to earnings within the next twelve months.

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Designated as a Level 2 instrument within the fair value hierarchy, the fair value and effect of the derivative instrument included in our consolidated financial statements was as follows:

(in thousands)	Balance Sheets Classification	December 31, 2025	December 31, 2024
Derivative instrument designated as cash flow hedge			
Interest rate swap contract	Prepaid expenses and other current assets	$ 466	$ 953
Interest rate swap contract	Other long-term assets	36	832
Total derivative instrument designated as cash flow hedge		**$ 502**	**$ 1,785**

(in thousands)	Financial Statements Classification	Year Ended December 31, 2025	2024	2023
Derivative instrument designated as cash flow hedge				
Income (loss) recognized in other comprehensive income before reclassifications	Statements of Comprehensive Income	$ (112)	$ 1,661	$ 954
Reclassification from accumulated other comprehensive income to earnings for the effective portion	Statements of Operations - Interest expense, net	(1,063)	(1,745)	(1,692)
Income tax benefit (expense)	Statements of Operations - Income tax expense	224	83	(10)

The amendment to our credit facility, as discussed in NOTE 9 — Debt, had no impact on our interest rate swap derivative.

NOTE 11 — Tax Receivable Agreements

The changes related to our TRAs liability were as follows:

(in thousands)	December 31, 2025	December 31, 2024
Beginning balance	$ 627,834	$ 290,920
Additions (reductions) to TRAs:		
Exchange of Dutch Bros OpCo Class A common units for Class A common stock	202,680	341,161
TRAs payments	(4,698)	—
TRAs remeasurements [1]	(4,767)	(4,247)
Ending balance	$ 821,049	$ 627,834
Less: current portion	(7,696)	(71)
TRAs liability, net of current portion	**$ 813,353**	**$ 627,763**

[1] Impact primarily related to state tax rates and adjustments from previous estimates upon finalization of the tax attributes subject to the TRA.

NOTE 12 — Income Taxes

Our income before income taxes is domestic-sourced only, and was as follows for the periods presented:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Income before income taxes	$ 135,623	$ 84,885	$ 16,919

Our income tax expense consisted of the following:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Current income taxes			
Federal	$ 200	$ 396	$ 193
State and local	530	2,653	844
Total current income taxes	730	3,049	1,037
Deferred tax expense			
Federal	13,391	8,520	1,605
State and local	4,227	6,866	4,325
Total deferred income taxes	17,618	15,386	5,930
Income tax expense	**$ 18,348**	**$ 18,435**	**$ 6,967**

Our effective income tax rate differs from the U.S. federal statutory income tax rate as itemized below:

	Year Ended December 31,					
	2025		2024		2023	
(dollars in thousands)	$	%	$	%	$	%
U.S. federal statutory income tax rate	28,481	21.0	17,826	21.0	3,553	21.0
Domestic state and local income taxes, net of federal effect [1]	4,749	3.5	9,497	11.2	4,245	25.1
Domestic federal:						
Tax credits:						
Tip credit	(6,415)	(4.7)	(4,258)	(5.0)	(2,040)	(12.1)
Other	(243)	(0.2)	(149)	(0.2)	(138)	(0.8)
Nontaxable and nondeductible items:						
Income allocable to non-controlling interests not subject to tax	(8,108)	(6.0)	(6,950)	(8.2)	(1,944)	(11.5)
Stock compensation - (windfall) shortfall	(3,267)	(2.4)	257	0.3	644	3.8
Stock compensation - RSAs	—	—	40	—	2,385	14.1
Section 162(m) compensation limitation	1,461	1.1	—	—	122	0.7
TRA remeasurement	(1,001)	(0.7)	(892)	(1.0)	(556)	(3.3)
Tip credit addback	1,380	1.0	884	1.0	423	2.5
Other	271	0.2	913	1.1	249	1.5
Changes in valuation allowance	1,247	0.9	(157)	(0.2)	(57)	(0.3)
Impact of TRA adjustments	359	0.2	965	1.2	(15)	(0.1)
Other	(566)	(0.4)	459	0.5	96	0.6
Total	**18,348**	**13.5**	**18,435**	**21.7**	**6,967**	**41.2**

[1] For the years ended December 31, 2025, 2024 and 2023, domestic state and local income taxes, net of federal effect primarily relate to the state of Oregon.

Our income taxes paid (net of refunds) consisted of the following:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
U.S. federal	$ 54	$ 370	$ 239
U.S. state and local total	943	1,884	1,492
Total	**$ 996**	**$ 2,253**	**$ 1,731**

Income taxes paid (net of refunds) exceeded five percent of total income taxes paid (net of refunds) in the following jurisdictions:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Tennessee	*	$ 1,276	*
Oregon	545	263	773
Texas	393	217	395

* Jurisdiction did not exceed the 5% threshold in the period presented.

The components of our deferred tax assets are as follows[1]:

(in thousands)	December 31, 2025	December 31, 2024
Deferred tax assets		
Investment in Dutch Bros OpCo	$ 833,598	$ 678,358
Net operating loss carryforwards	94,290	50,862
Credit carryforwards	16,056	9,399
Charitable contribution carryforward	3,030	1,505
Other	1,825	2,865
Total deferred tax assets	948,799	742,989
Less: valuation allowance	(2,228)	(863)
Net deferred tax assets	**$ 946,571**	**$ 742,126**

[1] Certain prior year balances have been reclassified to conform with current year presentation.

We recognize deferred tax assets to the extent, based on available evidence, that it is more-likely-than-not that they will be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent results of operations. For the years ended December 31, 2025 and 2024, we recorded a valuation allowance on our deferred tax assets, primarily related to charitable contributions, of which we do not expect to recognize benefit from in the foreseeable future. We have no deferred tax liabilities.

During 2025, in connection with our Tax Receivable Agreements, deferred tax assets associated with our investment in Dutch Bros OpCo increased $221.7 million due to the exchange of approximately 11.3 million units of our Class A common units for Class A common stock. In addition, during 2025 the TRA liability increased $202.7 million as a result of these exchanges. See NOTE 11 — Tax Receivable Agreements for additional details.

As of December 31, 2025, we had U.S. federal net operating losses of $386.9 million and tax credit carryforwards of approximately $16.1 million. Our federal net operating losses do not expire and tax credits will begin to expire in 2038, if not utilized. As of December 31, 2025, we had $248.4 million of state tax net operating losses and no state tax credits. Of the state tax net operating losses, $176.6 million will begin to expire in 2033 if not utilized and the remaining $71.8 million do not expire.

Utilization of net operating losses, credit carryforwards, and certain deductions may be subject to a substantial annual limitation due to ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The tax benefits related to future utilization of federal and state net operating losses, tax credit carryforwards, and other deferred tax assets may be limited or lost if cumulative changes in ownership exceeds 50% within any three-year period. Additional limitations on the use of these tax attributes could occur in the event of possible disputes arising in examinations from various taxing authorities.

There were no interest and penalties accrued for the three years ended December 31, 2025. We have assessed our tax positions taken and concluded there are no significant uncertain tax positions. We have no unrecognized tax benefits as of December 31, 2025 or 2024, that, if recognized, would affect the amount of income tax expense reported.

We file returns with the Internal Revenue Service and multiple state jurisdictions, which are subject to examination by the taxing authorities for years 2019 and later. The earlier tax years are subject to examination due to the utilization of net operating losses in recent tax years. None of our federal or state income tax returns are currently under examination by federal or state taxing authorities.

On July 4, 2025, the legislation commonly referred to as the One Big Beautiful Bill Act (OBBBA) was enacted in the United States. The OBBBA includes several significant changes in the U.S. tax law, including the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act and the restoration of favorable tax treatment for specific business provisions. This legislation was enacted during the third quarter of 2025, resulting in an increase to our valuation allowance related to the realizability of our charitable contributions carryforward. Other than the permanent extension of bonus depreciation provisions in the OBBBA, which will lower near term cash distributions to the members of Dutch Bros OpCo (including Dutch Bros Inc.), we do not expect the effects of this legislation to have a material impact on the Company's financial results.

NOTE 13 — Equity-Based Compensation

Equity Awards

As of December 31, 2025, we had equity-based compensation awards outstanding consisting of RSUs and PSUs with three years service vesting periods. Awards currently outstanding vest under one of the following schedules:

- Approximately one-third installments on each first, second, and third anniversary of the vesting commencement date;
- 50% each of the second and third anniversaries of the vesting commencement date; or
- 100% vesting after completion of three years service period with maximum 90-day determination period.

We estimate the fair value of PSUs using a Monte Carlo simulation model at the grant date. The estimated grant date fair value of $132.96 was derived from inputs and assumptions utilized in the valuation model as follows:

	Year Ended December 31,	
	2025	**2024**
Grant date stock price	$ 82.03	N/A
Beginning average price[1]	$ 67.71	N/A
Risk-free interest rate	4.2 %	N/A
Volatility	63.1 %	N/A

[1] Beginning average price is calculated as the volume-weighted average daily closing stock price over the 30 trading days preceding the start of the PSU performance period.

Restricted and Performance Stock Units

RSU activity was as follows:

(in thousands, except per share amounts)	Restricted Stock Units	Weighted-average grant date fair value per share
Balance, December 31, 2024	**1,211**	**$ 32.38**
New grants	345	75.16
Vested	(521)	34.71
Forfeitures	(193)	40.74
Balance, December 31, 2025	**842**	**$ 46.55**

PSU activity was as follows:

(in thousands, except per share amounts)	Performance - Based Stock Units	Weighted-average grant date fair value per share
Balance, December 31, 2024	**—**	**$ —**
New grants	63	132.96
Forfeitures	(8)	132.96
Balance, December 31, 2025	**55**	**$ 132.96**

Total release date fair value of vested equity awards for each of the three years in the period ended December 31, 2025 are presented below:

	Year Ended December 31,					
(in thousands, except per share amounts)	2025		2024		2023	
	Awards/units	W/A vest date fair value	Awards/units	W/A vest date fair value	Awards/units	WA vest date fair value
RSAs	—	$ —	39,752	$ 30.99	37,373	$ 27.36
RSUs	39,730	76.31	3,825	32.25	6,185	27.16

Equity-Based Compensation

Equity-based compensation expense is recognized on a straight-line basis and is included in our consolidated statements of operations as follows:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Cost of sales	$ 2,136	$ 887	$ —
Selling, general, and administrative expenses	15,886	10,595	39,222
Total stock-based compensation expense	**$ 18,022**	**$ 11,482**	**$ 39,222**

As of December 31, 2025, total unrecognized stock-based compensation related to unvested RSUs and PSUs was $30.4 million, which will be recognized as follows:

(in thousands)	
2026	$ 16,603
2027	11,014
2028	2,786
Total unrecognized stock-based compensation	**$ 30,403**

NOTE 14 — Non-Controlling Interests

Dutch Bros Inc. is the sole managing member of Dutch Bros OpCo, and, as a result, consolidates the financial results of Dutch Bros OpCo. We report a non-controlling interest representing the economic interest in the Dutch Bros OpCo held by the other members of Dutch Bros OpCo. The OpCo LLC Agreement provides that holders of Dutch Bros OpCo Class A common units may, from time to time, require Dutch Bros OpCo to redeem all or a portion of their Dutch Bros OpCo Class A common units for newly issued shares of Class A common stock on a one-for-one basis. In connection with any redemption or exchange, Dutch Bros Inc. will receive a corresponding number of Dutch Bros OpCo Class A common units, increasing Dutch Bros Inc.'s total ownership in Dutch Bros OpCo. Changes in Dutch Bros Inc.'s ownership in Dutch Bros OpCo, while Dutch Bros Inc. retains its controlling interest in Dutch Bros OpCo, will be accounted for as equity transactions. As such, future redemptions or direct exchanges of Dutch Bros OpCo Class A common units by the other members of Dutch Bros OpCo will result in a change in ownership and reduce the amount recorded as non-controlling interest and increase additional paid-in-capital.

The following table summarizes the ownership interest in Dutch Bros OpCo[1]:

	December 31, 2025	
(units in thousands)	**OpCo Units**	**Ownership %**
Dutch Bros OpCo Class A common units held by Dutch Bros Inc.	127,054	71.6 %
Dutch Bros OpCo Class A common units held by non-controlling interest holders[2]	50,481	28.4 %
Total Dutch Bros OpCo Class A common units outstanding	**177,535**	**100.0 %**

[1] Dutch Bros OpCo effected a recapitalization on February 7, 2025. For additional information, refer to NOTE 1 — Organization and Background.

[2] Non-controlling interest ownership includes approximately 13 million Class A common units that were decoupled from Class B common shares; these units can be converted on a one-for-one basis to Class A common stock.

The following table summarizes the effect of changes in ownership of Dutch Bros OpCo on our equity for the periods presented:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Net income attributable to Dutch Bros Inc.	**$ 79,842**	**$ 35,258**	**$ 1,718**
Other comprehensive income (loss):			
Unrealized gain (loss) on derivative securities, effective portion, net of income tax impacts	(580)	84	(269)
Additional paid-in capital:			
Increase as a result of equity-based compensation	12,794	6,980	15,177
Increase (decrease) as a result of common stock issuances pursuant to vesting of equity awards, net of stock withheld for tax	(8,850)	1,743	(661)
Increase (decrease) as a result of the acquisition of Dutch Bros OpCo Class A common units	41,193	115,989	(158,152)
Total effect of changes in ownership interest on equity attributable to Dutch Bros Inc.	**$ 124,399**	**$ 160,054**	**$ (142,187)**

The weighted-average ownership percentage for the applicable reporting period is used to attribute net income to Dutch Bros Inc. and the non-controlling interest holders. The non-controlling interest holders' weighted-average ownership percentage were as follows for the periods presented:

	Year Ended December 31,		
	2025	2024	2023
Weighted-average ownership percentage of non-controlling interest holders	29.4 %	41.6 %	62.8 %

Under the OpCo LLC Agreement, Dutch Bros OpCo is required to make certain distributions to its members with regard to tax obligations. Such distributions paid to members were as follows for the periods presented, and no amounts were payable as of the periods then ended.

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Amounts paid to non-controlling interest holders	$ 6,867	$ 1,888	$ —

NOTE 15 — Income Per Share

The following tables set forth the numerators and denominators used to compute basic and diluted net income per share of Class A and Class D common stock for the periods presented:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Numerator:			
Net income	$ 117,275	$ 66,450	$ 9,952
Less: Net income attributable to non-controlling interests	37,433	31,192	8,234
Net income attributable to Dutch Bros Inc.	**$ 79,842**	**$ 35,258**	**$ 1,718**

(in thousands, except per share amounts)	Year Ended December 31, 2025	2024	2023
Basic net income per share attributable to common stockholders			
Numerator:			
Net income attributable to Dutch Bros Inc.	$ 79,842	$ 35,258	$ 1,718
Denominator:			
Weighted-average number of shares of Class A and Class D common stock outstanding - basic [1]	125,329	103,504	62,074
Basic net income per share attributable to common stockholders [1]	**$ 0.64**	**$ 0.34**	**$ 0.03**

[1] Class D common shares were included in net income per share and weighted-average number of shares calculations in periods prior to June 2024. As of June 2024, all Class D common shares were converted to Class A common shares.

(in thousands, except per share amounts)	Year Ended December 31, 2025	2024	2023
Diluted net income per share attributable to common stockholders			
Numerator:			
Undistributed net income for basic computation	$ 79,842	$ 35,258	$ 1,718
Increase in net income attributable to common stockholders upon conversion of potentially dilutive instruments	92	110	—
Allocation of undistributed net income	**$ 79,934**	**$ 35,368**	**$ 1,718**
Denominator:			
Number of shares used in basic computation	125,329	103,504	62,074
Add: weighted-average effect of dilutive securities			
RSAs	—	12	—
RSUs	435	613	—
Weighted-average number of shares of Class A and Class D common stock outstanding used to calculate diluted net income per share [1]	**125,764**	104,129	62,074
Diluted net income per share attributable to common stockholders [1]	**$ 0.64**	**$ 0.34**	**$ 0.03**

[1] Class D common shares were included in net income per share and weighted-average number of shares calculations in periods prior to June 2024. As of June 2024, all Class D common shares were converted to Class A common shares.

The following Class A common stock equivalents were excluded from diluted net income per share in the periods presented because they were anti-dilutive:

(in thousands)	Year Ended December 31, 2025	2024	2023
RSAs	—	—	1,283
RSUs	218	90	648
PSUs	51	—	—
Total anti-dilutive securities	**269**	**90**	**1,931**

NOTE 16 — Commitments and Contingencies

Purchase Obligations

We enter into fixed-price and price-to-be-fixed green coffee purchase commitments. For both fixed-price and price-to-be-fixed purchase commitments, we expect to take delivery of green coffee and to utilize the coffee in a reasonable period of time in the ordinary course of business. Such contracts are used for the normal purchases of green coffee and not for speculative purposes. We do not enter into futures contracts or other derivative instruments related to our green coffee purchase commitments.

Guarantees

We periodically provide guarantees to franchise partners for lease payments. As of December 31, 2025 and December 31, 2024, we had guaranteed approximately $7.8 million and $8.2 million, respectively, in franchise partners' lease payments and have not established a liability for these guarantees as any liability arising from the guarantees is not material to the consolidated financial statements.

Legal Proceedings

The Company is a party to routine legal actions arising in the ordinary course of and incidental to its business. These claims, legal proceedings, and litigation principally arise from alleged casualty, employment, and other disputes.

In determining loss contingencies, the Company considers the likelihood of loss as well as the ability to reasonably estimate the amount of such loss or liability. An estimated loss is recognized when it is considered probable that a liability has been incurred and when the amount of loss can be reasonably estimated.

Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, developments in legislation or regulations that affect the validity of certain claims and defenses, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and/or the ongoing discovery and development of information important to the matter.

Any claim, proceeding, or litigation has an element of uncertainty, and an unfavorable outcome may have a material adverse effect on the Company's financial condition, results of operations, or cash flows.

Liabilities Under Tax Receivable Agreements

Under the TRAs, Dutch Bros Inc. is contractually committed to pay the non-controlling interest holders 85% of the amount of any tax benefits that Dutch Bros Inc. actually realizes, or in some cases is deemed to realize, as a result of certain transactions. As of December 31, 2025, Dutch Bros Inc. recognized $821.0 million of liabilities related to its obligations under the TRAs. Refer to NOTE 11 — Tax Receivable Agreements for additional information.

NOTE 17 — Related Party Transactions

Related party transactions were as follows for the periods presented:

	Year Ended December 31,		
(in thousands)	2025	2024	2023
Distributions and TRA payments to Co-Founder and Sponsor [1]	$ 11,565	$ 1,888	$ —
Sales of Company Aircraft [2]:			
Sales price	—	9,545	—
Net book value	—	8,243	—
Gain on disposal of Aircraft	—	1,302	—
Donations to Dutch Bros Foundation	4,250	4,250	250

[1] See NOTE 11 — Tax Receivable Agreements and NOTE 14 — Non-Controlling Interests for further information.
[2] In June 2024 and July 2024, respectively, we sold our airplane, and hangar and related equipment (collectively, the Aircraft), to our Co-Founder.

The Dutch Bros Foundation is a not-for-profit organization founded by our Company that provides grants to other not-for-profit organizations throughout the communities we serve. Our Vice Chair, Chief Financial Officer, Chief People Officer, Chief Legal Officer, and SVP of Brand Marketing serve on the board of directors, our Vice Chair serves as the President, and our Chief Legal Officer serves as the Secretary-Treasurer.

NOTE 18 — Segment Reporting

Segment information is prepared on the same basis that our CEO, who is the CODM, manages the segments, evaluates financial results and makes key operating decisions. Our CEO evaluates financial performance based on two operating segments, which offer distinct products and services to different customers: Company-operated shops and Franchising and other. The Company-operated shops segment includes retail coffee shop sales to end consumers. The Franchising and other segment includes bean and product sales to franchise partners, initial franchise fees, royalties, and marketing fees related to the franchise partners, as well as sales of products through our website.

The CODM reviews segment performance and allocates resources based upon segment contribution, which is defined as segment gross profit before depreciation and amortization. Segment contribution is used to monitor and assess segment results compared to prior periods, forecasted results, and our annual operating plan.

All segment revenue is earned in the United States. All intercompany sales amongst the Dutch Bros entities are fully eliminated in consolidation. Further, there are no intersegment revenues. The CODM does not evaluate operating segments using discrete asset information.

Selling, general and administrative expenses primarily consist of unallocated corporate expenses. Unallocated corporate expenses include corporate administrative functions that support the segments but are not directly attributable to or managed by any segment and are not included in the reported financial results of the segments.

No changes have been made to our segments during the three years ended December 31, 2025. In addition, no customer represented 10% or more of total revenue for each of the three years in the period ended December 31, 2025.

Financial information for our reportable segments was as follows for the periods presented:

(in thousands)	Year Ended December 31, 2025	2024	2023
Revenues			
Company-operated shops	$ 1,509,329	$ 1,165,830	$ 857,939
Franchising and other	128,830	115,185	107,837
Total revenues	1,638,159	1,281,015	965,776
Cost of sales			
Company-operated shops			
Beverage, food & packaging	390,331	296,752	230,133
Labor costs	405,932	315,805	230,505
Occupancy & other costs	251,106	191,372	140,895
Pre-opening costs	25,355	15,133	14,083
Franchising and other	29,736	30,100	31,378
Segment cost of sales[1]	1,102,460	849,162	646,994
Segment contribution			
Company-operated shops	436,605	346,768	242,323
Franchising and other	99,094	85,085	76,459
Total segment contribution	**$ 535,699**	**$ 431,853**	**$ 318,782**
Segment depreciation and amortization	(111,753)	(91,724)	(67,486)
Selling, general and administrative	(262,766)	(234,036)	(205,074)
Interest expense, net	(28,305)	(27,020)	(32,321)
Other income, net	2,748	5,812	3,018
Income before income taxes	**$ 135,623**	**$ 84,885**	**$ 16,919**

[1] Segment cost of sales for this presentation excludes the impact of depreciation and amortization.

NOTE 19 — Subsequent Event

On January 23, 2026, the Company purchased the assets, primarily consisting of right-of-use leases, of Clutch Coffee for the base purchase price of $19.8 million, less purchase price adjustments, which was funded with cash on hand. Clutch Coffee had 22 locations operating or under construction in North Carolina and South Carolina. The Company principally intends to develop 20 of the acquired sites as Dutch Bros-branded company-operated shops by the end of 2026.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Effectiveness of Disclosure Controls and Procedures

Based on an evaluation of the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13(a)-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act), as of December 31, 2025, the Company's Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer) have concluded that, as of the end of the period covered by this Form 10-K, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within an organization have been detected. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure control system are met.

Changes in Internal Control over Financial Reporting

There have been no changes during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management, including our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. GAAP and those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our company's assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our company's receipts and expenditures are being made in accordance with appropriate authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on our consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management, under the supervision of our principal executive officer and principal financial officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2025, based on the framework established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based upon this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included in Item 8 of this Form 10-K.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as those terms are defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our executive officers is included in “Information about our Executive Officers” section in Part I, Item I of this Form 10-K.

We have adopted a Code of Business Conduct and Ethics that applies to all of our officers, directors, and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, or persons performing similar functions, which is posted on our website at https://investors.dutchbros.com/governance. Our Code of Business Conduct and Ethics is a “code of ethics,” as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions for our Code of Business Conduct and Ethics on our website. The information contained on, or accessible from, our website is not part of this Form 10-K by reference or otherwise. We intend to satisfy the disclosure requirements under Item 5.05 of the SEC Form 8-K regarding an amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics by posting such information on our website at the website address and location specified above.

The remaining information required by this item will be included in our definitive Proxy Statement relating to our 2026 Annual Meeting of Stockholders, which will be filed with the SEC within 120 days of the end of our fiscal year ended December 31, 2025 (the 2026 Proxy Statement) and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be included in the “Executive Compensation” section of the 2026 Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be included in the “Security Ownership of Certain Beneficial Owners and Management” section of the 2026 Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item will be included in the “Transactions with Related Persons” section of the 2026 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm is:

- Firm name: KPMG LLP
- Firm location: Portland, Oregon
- Auditor Firm ID: 185

The information required by this item will be included in the “Audit and Related Fees” section of the 2026 Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits.

The following exhibits are included herein or incorporated herein by reference:

		Incorporated by Reference				
Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Amended and Restated Certificate of Incorporation of Registrant.	8-K	001-40798	3.1	September 17, 2021	
3.2	Amended and Restated Bylaws of Registrant.	8-K	001-40798	3.2	September 17, 2021	
4.1	Form of Common Stock Certificate.	S-1/A	333-258988	4.1	September 7, 2021	
4.2	Description of Capital Stock.	10-K	001-40798	4.2	February 27, 2023	
10.1	Fifth Amended and Restated Limited Liability Company Agreement of Dutch Mafia, LLC, dated February 7, 2025.	10-K	001-40798	10.1	February 13, 2025	
10.2	Tax Receivable Agreement (Reorganization), dated September 14, 2021.	8-K	001-40798	10.2	September 17, 2021	
10.3	Tax Receivable Agreement (Exchanges), dated September 14, 2021.	8-K	001-40798	10.3	September 17, 2021	
10.4	Amended and Restated Registration Rights Agreement, by and among the Registrant and the Investors party thereto, dated October 31, 2023.	10-K	001-40798	10.4	February 23, 2024	
10.5	Form of Director and Officer Indemnification Agreement.	S-1	333-258988	10.2	August 20, 2021	
10.6†	2021 Equity Incentive Plan.	S-8	333-259618	99.1	September 17, 2021	
10.7†	Form of Stock Option Grant Notice, Stock Option Agreement and Notice of Exercise under the 2021 Equity Incentive Plan.	S-1/A	333-258988	10.8	September 7, 2021	
10.8†	Form of RSU Award Grant Notice and Award Agreement under the 2021 Equity Incentive Plan.	S-1/A	333-258988	10.9	September 7, 2021	
10.9†	Form of Restricted Stock Grant Notice and Restricted Stock Agreement under the 2021 Equity Incentive Plan.	S-1/A	333-258988	10.1	September 7, 2021	
10.10†	Offer Letter by and between Stephen Gillett and the Company dated November 5, 2021.	8-K	001-40798	10.1	December 15, 2021	
10.11	Second Amended and Restated Credit Agreement, dated May 29, 2025, by and among Dutch Bros., LLC, DB Franchising USA, LLC, Boersma Bros. LLC, and the other Loan Parties thereto, the financial institutions party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent	8-K	001-40798	10.10	May 30, 2025	

Exhibit Number	Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.12†	Offer Letter by and between Ann M. Miller and the Company, dated August 12, 2022.	8-K	001-40798	10.1	August 22, 2022	
10.13†	Amended Offer Letter by and between Christine Barone and the Company, dated December 27, 2023.	8-K	001-40798	10.1	January 2, 2024	
10.14†	Offer Letter, dated as of November 2, 2023, by and between the Company and C. David Cone.	8-K	001-40798	10.1	November 7, 2023	
10.15†	Offer Letter, dated as of September 1, 2022, by and between the Company and Victoria Tullett.	10-K	001-40798	10.23	February 23, 2024	
10.16†	Offer Letter, dated as of June 7, 2023, by and between the Company and Tana Davila.	10-K	001-40798	10.24	February 23, 2024	
10.17†	Offer Letter, dated as of December 19, 2023, by and between the Company and Joshua Guenser.	8-K	001-40798	10.1	May 7, 2024	
10.18	Share Surrender Agreement, by and among the Company, Dutch Bros OpCo, DMI Holdco, LLC, DM Individual Aggregator, LLC, and DM Trust Aggregator, LLC, dated May 16, 2024.	8-K	001-40798	10.2	May 20, 2024	
10.19	Limitation Agreement, by and among the Company, Dutch Bros OpCo, DMI Holdco, LLC, DM Individual Aggregator, LLC, and DM Trust Aggregator, LLC, dated May 16, 2024.	8-K	001-40798	10.3	May 20, 2024	
10.20†	Offer Letter, dated as of May 28, 2024, by and between the Company and Gerard J. Hart.	8-K	001-40798	10.1	June 3, 2024	
10.21†	Offer Letter, dated as of June 18, 2024, by and between the Company and Todd Penegor.	8-K	001-40798	10.1	June 24, 2024	
10.22†	Amended and Restated Participation Agreement, dated November 4, 2024, by and between the Company and Christine Barone.	8-K	001-40798	10.1	November 6, 2024	
10.23†	Amended and Restated Severance and Change in Control Plan, dated October 4, 2021, and related Form of Participation Agreement.	8-K	001-40798	10.2	November 6, 2024	
10.24†	Offer Letter, dated as of December 26, 2024, by and between the Company and Nicholas Daddario.	8-K	001-40798	10.1	May 16, 2025	
10.25†	Offer Letter, dated as of January 24, 2025, by and between the Company and Kory Marchisotto.	8-K	001-40798	10.1	February 18, 2025	
10.26†	Employee Non-Competition, Non-Solicitation of Employees, Confidential Information and Inventions Assignment Agreement, dated as of July 30, 2025, by and between, the Company and Christine Barone.	10-Q	001-40798	10.1	November 6, 2025	

Exhibit Number	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.27†	Employee Non-Competition, Non-Solicitation of Employees, Confidential Information and Inventions Assignment Agreement, dated as of August 6, 2025, by and between, the Company and Joshua Guenser.	10-Q	001-40798	10.2	November 6, 2025	
19.1	Dutch Bros Inc. Insider Trading Policy.	10-K	001-40798	19.10	February 13, 2025	
21.1	Subsidiaries of Dutch Bros Inc.					X
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.					X
24.1	Power of Attorney (included on signature page of this Form 10-K).					X
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1†	Incentive Compensation Recoupment Policy, dated October 10, 2023.	10-K	001-40798	97.1	February 23, 2024	
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page with Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).					X

† Management contract or compensatory plan or arrangement.

* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

ITEM 16. FORM 10-K SUMMARY

None.

Pursuant to the requirements of Section 13 or 15(d) 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.

DUTCH BROS INC.

February 12, 2026	By:	**/s/ CHRISTINE BARONE**
Date		Christine Barone
		Chief Executive Officer and President

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Christine Barone and Joshua Guenser, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ CHRISTINE BARONE Christine Barone	Chief Executive Officer and President and Director (Principal Executive Officer)	February 12, 2026
/s/ TRAVIS BOERSMA Travis Boersma	Executive Chairman of the Board of Directors	February 12, 2026
/s/ JOSHUA GUENSER Joshua Guenser	Chief Financial Officer (Principal Financial Officer)	February 12, 2026
/s/ NICHOLAS DADDARIO Nicholas Daddario	Chief Accounting Officer (Principal Accounting Officer)	February 12, 2026
/s/ C. DAVID CONE C. David Cone	Director	February 12, 2026
/s/ THOMAS DAVIS Thomas Davis	Director	February 12, 2026
/s/ KATHRYN GEORGE Kathryn George	Director	February 12, 2026
/s/ STEPHEN GILLETT Stephen Gillett	Director	February 12, 2026
/s/ G.J. HART G.J. Hart	Director	February 12, 2026
/s/ KORY MARCHISOTTO Kory Marchisotto	Director	February 12, 2026
/s/ ANN MILLER Ann Miller	Director	February 12, 2026
/s/ TODD PENEGOR Todd Penegor	Director	February 12, 2026

Subsidiaries of Dutch Bros Inc.

As of December 31, 2025

Name of Subsidiary	Jurisdiction of Incorporation or Organization
Dutch Mafia, LLC	Delaware
Boersma Bros. LLC	Oregon
DB Franchising USA, LLC	Oregon
Dutch Bros., LLC	Oregon
Dutchwear, LLC	Oregon
BB Holdings AL, LLC	Oregon
BB Holdings AR, LLC	Oregon
BB Holdings AZ, LLC	Oregon
BB Holdings CA, LLC	Oregon
BB Holdings Colorado, LLC	Oregon
BB Holdings FL, LLC	Oregon
BB Holdings ID, LLC	Oregon
BB Holdings KS, LLC	Oregon
BB Holdings KY, LLC	Oregon
BB Holdings MO, LLC	Oregon
BB Holdings NM, LLC	Oregon
BB Holdings NV, LLC	Oregon
BB Holdings OK Group, LLC	Oregon
BB Holdings OR, LLC	Oregon
BB Holdings TN, LLC	Oregon
BB Holdings TX, LLC	Oregon
BB Holdings UT, LLC	Oregon
BB Holdings WA, LLC	Oregon

KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-277338, 333-270044, 333-263493, and 333-259618) on Form S-8 and the registration statement (No. 333-274368) on Form S-3ASR of our report dated February 12, 2026, with respect to the consolidated financial statements of Dutch Bros Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Portland, Oregon
February 12, 2026

DUTCH BROS INC.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Christine Barone, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2025 of Dutch Bros Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 12, 2026	**/s/ Christine Barone**
Date	Christine Barone
	Chief Executive Officer and President
	(Principal Executive Officer)

DUTCH BROS INC.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, Joshua Guenser, certify that:

1. I have reviewed this Annual Report on Form 10-K for the period ended December 31, 2025 of Dutch Bros Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 12, 2026	**/s/ Joshua Guenser**
Date	Joshua Guenser
	Chief Financial Officer
	(Principal Financial Officer)

DUTCH BROS INC.

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

In connection with the Annual Report of Dutch Bros Inc. (the Company) on Form 10-K for the period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date of the signatures below (the Report), Christine Barone, Chief Executive Officer and President of the Company, and Joshua Guenser, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their respective knowledge:

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

February 12, 2026	**/s/ Christine Barone**
Date	Christine Barone Chief Executive Officer and President *(Principal Executive Officer)*
February 12, 2026	**/s/ Joshua Guenser**
Date	Joshua Guenser Chief Financial Officer *(Principal Financial Officer)*

This certification accompanies the Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Dutch Bros Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.