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**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 27, 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 **333-115164**

U. S. PREMIUM BEEF, LLC

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

20-1576986

(I.R.S. Employer Identification No.)

12200 North Ambassador Drive, Kansas City, MO 64163

(Address of principal executive offices)

Registrant's telephone number, including area code **(866) 877-2525**

Securities registered pursuant to Section 12(b) of the Act: **None**

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 Exchange Act). Yes No

The registrant's equity is not traded on any exchange or other public market; however, there have been private transactions. As of February 28, 2026, there were 735,385 Class A units and 755,385 Class B units outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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MARKET AND INDUSTRY DATA AND FORECASTS

Market data and certain industry forecasts used throughout this report were obtained from internal surveys, market research, consultant surveys, publicly available information and industry publications and surveys. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which we believe to be reliable, based upon our management's knowledge of the industry, have not been independently verified. Forecasts are particularly likely to be inaccurate, especially over long periods of time. In addition, we do not know what assumptions regarding general economic growth were used in preparing the forecasts we cite.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements," which are subject to a number of risks and uncertainties, many of which are beyond our control. Forward-looking statements are typically identified by the words "believe", "expect", "anticipate", "intend", "estimate", and similar expressions. Actual results could differ materially from those contemplated by these forward-looking statements as a result of many factors, including economic conditions generally and in our principal markets, the availability and prices of live cattle and commodities, food safety, livestock disease, including the identification of cattle with bovine spongiform encephalopathy (BSE), competitive practices and consolidation in the cattle production and processing industries, actions of domestic or foreign governments, hedging risk, changes in interest rates and foreign currency exchange rates, consumer demand and preferences, the cost of compliance with environmental and health laws, loss of key customers, loss of key employees, labor relations, and consolidation among our customers.

In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking information contained in this report will in fact transpire. Readers are cautioned not to place undue reliance on these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these factors. Please review Item 1A, *Risk Factors*, included in this report, for other important factors that could cause actual results to differ materially from those in any such forward-looking statements.

Unless the context indicates or otherwise requires, the terms "the Company", "we", "USPB", "our" and "us" refer to U.S. Premium Beef, LLC. As used in this report, the term "NBP" refers to National Beef Packing Company, LLC, a Delaware limited liability company. As used in this report, the terms "fiscal year" or "fiscal year ended" refers to our fiscal year which ends on the last Saturday in December.

PART I

ITEM 1. BUSINESS

BUSINESS OF U.S. PREMIUM BEEF, LLC

Overview

USPB's mission is to increase the quality of beef and long-term profitability of cattle producers by creating a fully integrated producer-owned beef processing system that is a global supplier of high quality, value-added beef products responsive to consumer desires. USPB operates an integrated cattle processing and beef marketing enterprise where consumer and processor demands and requirements are implemented through changes in genetics, feeding, and management. USPB's unitholders benefit from its supplier alliance with NBP through (i) premiums received in excess of cash market prices for higher quality cattle, (ii) allocations of profits and potential distributions, (iii) potential unit price appreciation, and (iv) information that permits unitholders to make informed production decisions.

Products and Production

Ownership in USPB provides unitholders access to an integrated cattle production, processing and marketing system. As the basis of that system, USPB's Class A unitholders have a guaranteed right plus an obligation (on a one head per Class A unit per delivery year basis) to deliver cattle to USPB, pursuant to the Uniform Cattle Delivery and Marketing Agreement (see *Cattle Delivery Arrangements*). USPB facilitates the delivery of cattle to NBP for processing and subsequent product distribution and marketing. Shortly after the cattle are processed, cattle suppliers receive, at no extra charge, individual animal carcass data previously considered proprietary by many processors. This carcass data assists producers in refining production methodologies, thereby improving the product quality and subsequently enhancing the return to the producer.

We believe the primary advantage of USPB's ownership in NBP is USPB's ability to provide NBP with a consistent supply of quality beef from a known source, allowing NBP to target higher margin value-added markets. Consumers have historically demonstrated their willingness and desire to buy branded products that offer better value in other consumer product markets, with the Certified Angus Beef[®] product line being an example in the beef industry.

Company Background

USPB was originally organized as a tax-exempt cooperative within the meaning of Section 521(b)(1) of the Internal Revenue Code. The cooperative began operations on December 1, 1997, when the cooperative acquired its initial interest in Farmland National Beef, now known as National Beef Packing Company, LLC (NBP). In connection with the cooperative's purchase of its interest in Farmland National Beef, the cooperative owned the right and was subject to the obligation to deliver cattle annually to NBP. Under that arrangement, USPB has delivered more than 20.8 million head of cattle to NBP for processing since it commenced deliveries.

On August 6, 2003, USPB became the majority owner in NBP.

On August 18, 2004, the shareholders of U.S. Premium Beef, Ltd. approved the conversion of the cooperative into a Delaware LLC.

On December 5, 2011, USPB entered into a Membership Interest Purchase Agreement with Leucadia National Corporation (Leucadia Transaction). The Purchase Agreement provided for Leucadia National Corporation to purchase 56.2415% of the membership interests in NBP (National Interests) from the Company for approximately \$646.8 million. The Leucadia Transaction closed on December 30, 2011. Following the close, USPB owned 15.0729% of NBP's membership interests.

On November 29, 2019, Jefferies Financial Group, Inc. (Jefferies, formerly Leucadia National Corporation) sold its remaining ownership interest in NBP to a combination of NBM US Holdings, Inc., a Delaware corporation owned by Marfrig Global Foods S.A.; NBPCo Holdings, LLC; and TMK Holdings, LLC. USPB elected to not participate in the acquisition and, as a result, USPB's ownership interest in NBP remained at 15.0729%.

Employees

USPB has eight employees as of December 27, 2025. The complexity of USPB's obligations under its various contracts with NBP require USPB to retain the services of key senior management personnel with the experience, skill and expertise necessary to manage an enterprise competitive with other sophisticated participants in the beef and meat industries. Each employee is compensated through the payment of a base salary with management being eligible for incentive and discretionary bonuses. In addition, each employee is eligible to participate in benefits programs maintained by USPB. These programs include group medical insurance, accidental death and dismemberment insurance and similar programs.

USPB's employees are not unionized and USPB believes that its relationship with its employees is good.

Governmental Regulation and Environmental Matters

The Company does not operate any processing facilities itself and is therefore not subject to federal and state regulations relating to grading of animals, quality control, labeling, sanitary control and waste disposal. Operational activities are conducted through NBP and significant efforts with respect to governmental and environmental regulation are conducted by NBP. See *Business of National Beef Packing Company, LLC - Regulation and Environmental*.

Sales, Marketing, and Customers

NBP is the only beef processor with which USPB has a cattle delivery agreement. The ultimate customers of and the market for the products resulting from the processing of cattle supplied by USPB's unitholders and associates are described in *Business of National Beef Packing Company, LLC*.

Beef Industry, Markets, and Competition

As indicated above, USPB's business activities are focused on facilitating the delivery of cattle produced by its Class A unitholders and associates to NBP. Information regarding the beef industry, the market for beef and beef products and competition within the beef industry are described in *Business of National Beef Packing Company, LLC*.

Intellectual Property

USPB maintains a federally registered trademark on a U.S. Premium Beef logo that it uses periodically.

Research and Development

USPB does not conduct any research and development activities.

CATTLE DELIVERY ARRANGEMENTS

Cattle Producers' Uniform Cattle Delivery and Marketing Agreements and Payments to Unitholders and Associates for Cattle

USPB facilitates the delivery of cattle from its Class A unitholders and associates to NBP. Each Class A unitholder is required to enter into a Uniform Cattle Delivery and Marketing Agreement (Delivery Agreement) with the Company whereby the unitholder is committed to deliver a designated number of cattle on an annual basis. Each Class A unit held by a unitholder entitles and obligates that unitholder to deliver one head of cattle per delivery year to USPB. The Delivery Agreements are for a term of 5 years with an “evergreen” renewal provision that automatically renews annually in the beginning of USPB’s delivery year for a subsequent five-year period.

USPB’s Class A unitholders and associates deliver cattle to NBP for processing (NBP is the only beef processor that USPB has a cattle delivery agreement with). The resulting beef and beef products are marketed by NBP. Each unitholder or associate is paid for the cattle delivered to NBP based on a market-based purchase price that is subject to the agreements between USPB and NBP.

Pursuant to the Delivery Agreement, payment for cattle is based on the individual carcass quality of cattle delivered. As a limited liability company, allocations of profits and losses and potential distributions are not tied to cattle delivery, but rather to the number of Class A and Class B units held and the respective rights of those units.

BUSINESS OF NATIONAL BEEF PACKING COMPANY, LLC

General

NBP is one of the largest beef processing companies in the U.S., accounting for approximately 14% of fed cattle slaughter in the U.S. NBP processes and markets fresh and chilled boxed beef, ground beef, beef by-products, consumer-ready beef and pork, and wet blue leather for domestic and international markets. Based in Kansas City, Missouri, NBP had approximately 10,000 employees at December 27, 2025 and generated total revenues of \$13.8 billion in 2025.

The largest part of NBP’s revenue is generated from the sale of boxed beef and beef by-products. NBP also generates revenues from value-added production of consumer-ready products. In addition, NBP operates one of the largest hide tanning facilities in the world, selling wet blue leather to tanners that produce finished leather for the automotive, luxury goods, apparel and furniture industries. Other streams of revenue include sales of portioned beef and other products directly to consumers through internet, direct mail and direct response television by its subsidiary, Kansas City Steak Company, LLC, and service revenues generated by National Carriers, Inc., a wholly-owned subsidiary that transports livestock and refrigerated products for NBP and a variety of other customers. NBP’s profitability typically fluctuates seasonally as well as cyclically, based on the availability of fed cattle and demand for its products.

Beef Processing

NBP’s profitability is dependent, in large part, on the spread between its cost for fed cattle, the primary raw material for its business, and the value received from selling boxed beef and beef by-products coupled with its overall volume. NBP operates in a commodity market, and it does not have much influence over the price it pays for cattle or the price it receives for the products it produces. NBP’s profitability typically fluctuates seasonally and cyclically with relatively higher margins in the spring and summer months and during times of ample cattle availability.

Revenues in 2025 increased approximately 11.8% in comparison to 2024, primarily due to an increase in selling price per unit, offset, in part, by lower volume. Cost of sales increased by approximately 13.6% in 2025 as compared to 2024. The increase was driven primarily by higher prices for cattle. Reduced volume and a decline in gross margin per head resulted in a lower profitability in 2025 as compared to 2024.

Revenues in 2024 increased approximately 3.5% in comparison to 2023, primarily due to an increase in selling price per unit, offset, in part, by lower volume. Cost of sales increased by approximately 5.2% in 2024 as compared to 2023. The increase was driven by higher cattle prices. Reduced volume and a decline in gross margin per head resulted in a lower profitability in 2024 as compared to 2023.

Sales and Marketing

NBP markets its products to national and regional retailers, including supermarket chains, independent grocers, club stores, wholesalers and distributors, foodservice providers and further processors. In addition, NBP sells beef by-products to the medical, feed processing, fertilizer and pet food industries. NBP exported products to 35 countries in 2025, and export sales represented approximately 7.8% of consolidated revenue. The demand for beef is generally strongest in the spring and summer months and decreases during the winter months.

NBP emphasizes the sale of higher-margin, value-added products, which include branded boxed beef, consumer-ready beef and pork, portion-control beef and wet blue hides. NBP believes its value-added products can command higher prices than similar commodity products because of its ability to consistently meet product specifications, based on quality, trim, weight, size, breed or other factors, tailored to the needs of its customers. In addition to the value-added brands that NBP owns, it licenses the use of Certified Angus Beef[®], a registered trademark of Certified Angus Beef LLC, and Certified Hereford Beef[®], a registered trademark of Certified Hereford Beef LLC.

Raw Materials and Procurement

The primary raw material for the beef processing plants is fed cattle. Fed cattle prices change daily based on supply and demand for beef and other proteins, cattle inventory levels relative to packer demand for cattle, weather and other factors. NBP has two beef processing facilities located in southwest Kansas and a third beef processing plant in central Iowa. The primary market area for the purchase of cattle for those facilities includes Kansas, Texas, Nebraska, Iowa and Oklahoma. A significant portion of USPB's unitholders and associates are located in this area. The close proximity of NBP's facilities to large supplies of cattle gives its buyers the ability to visit feedlots on a regular basis, which enables NBP to develop strong working relationships with its suppliers, reduce its reliance on any one cattle supplier and lower in-bound transportation costs.

Processing Facilities

NBP owns two beef processing facilities located in Liberal and Dodge City, Kansas, which can each process approximately 6,000 head per day, and a third beef processing facility in Tama, Iowa which can process approximately 1,200 head per day. NBP's three consumer-ready facilities are in Hummels Wharf, Pennsylvania, Moultrie, Georgia and Kansas City, Kansas. Its ground beef patty facility is in North Baltimore, Ohio, and its tannery is in St. Joseph, Missouri.

Competition

Competitive conditions exist both in the purchase of fed cattle, as well as in the sale of beef products. Beef products compete with other protein sources, including pork and poultry, but NBP's principal competition comes from other beef processors. NBP believes the principal competitive factors in the beef processing industry are price, quality, food safety, customer service, product distribution, technological innovations (such as food safety interventions and packaging technologies) and brand loyalty. Some of NBP's competitors have substantially larger beef operations, greater financial and other resources and wider brand recognition for their products.

Regulation and Environmental

NBP's operations are subject to extensive regulation by the U.S. Department of Agriculture (USDA) including its Food Safety and Inspection Service (FSIS), its Animal and Plant Health Inspection Service (APHIS) and its Grain Inspection, Packers and Stockyards Administration (GIPSA), the Food and Drug Administration (FDA), the U.S. Environmental Protection Agency (EPA) and other federal, state, local and foreign authorities regarding the processing, packaging, storage, safety, distribution, advertising and labeling of its products.

NBP is subject to the Packers and Stockyards Act of 1921 (PSA). Among other things, this statute generally requires NBP to make full payment for livestock purchases not later than the close of business the day after the purchase and transfer of possession or determination of the purchase price. Under the PSA, NBP must hold in trust for the benefit of unpaid cash livestock suppliers all receivables, inventory and proceeds derived from NBP's sale of such cattle until the sellers have received full payment. In addition, pursuant to PSA rules, as of December 27, 2025, NBP has obtained from an insurance company a surety bond in the amount of \$72.4 million as a measure of protection for livestock sellers.

The Dodge City and Liberal facilities are subject to Title V permitting pursuant to the Federal Clean Air Act and the Kansas Air Quality Act. The St. Joseph and Tama facilities are subject to, and operating under, secondary permits. The Dodge City, Liberal, Tama, Hummels Wharf and Moultrie facilities are subject to Clean Air Act Risk Management Plan requirements relating to the use of ammonia as a refrigerant.

All of NBP's plants, other than Liberal and Tama, are indirect dischargers of wastewater to publicly owned treatment works and are subject to requirements under the federal Clean Water Act, state and municipal laws, as well as agreements or permits with municipal or county authorities. NBP's plant in Liberal operates a wastewater treatment plant and land applies the effluent from that plant under a permit issued by the Kansas Department of Health and Environment. NBP's plant in Tama operates a wastewater treatment plant and is a direct discharger to the Iowa River under a National Pollutant Discharge Elimination System permit issued by the Iowa Department of Natural Resources. Upon renewal of these agreements and permits, NBP is from time to time required to make capital expenditures to upgrade or expand wastewater treatment facilities to address new and more stringent discharge requirements imposed at the time of renewal. Storm water discharges from NBP's plants are also regulated by state and local authorities.

All of NBP's facilities generate solid waste streams including small quantities of hazardous wastes, and the St. Joseph facility is classified as a large-quantity generator of hazardous waste. NBP is subject to laws that provide for strict and, in certain circumstances, joint and several liability for remediation of hazardous substances at contaminated sites; however, NBP has not received any demands that it has any liability at sites under the Comprehensive Environmental Response, Compensation and Liability Act (Superfund) or state counterparts. All plants are subject to community right to know reporting requirements under the Superfund Amendments and Reauthorization Act of 1986, which requires yearly filings as to the substances used on facility premises.

ITEM 1A. RISK FACTORS

Risk Factors Associated With Operations of NBP

The prices and availability of key raw materials affects the profitability of its beef processing and manufacturing operations.

The supply and market price of cattle purchased by NBP are dependent upon a variety of factors over which NBP has no control, including fluctuations in the size of herds maintained by producers, the relative cost of feed and energy, weather and livestock diseases. The cost of raw materials used by our manufacturing businesses have fluctuated over time as a result of a variety of factors. Although our manufacturing businesses are not currently experiencing any shortage of raw materials, if such shortages occur, revenues and profitability could decline.

Outbreaks of disease affecting livestock can adversely affect the supply of cattle and the demand for NBP's products.

NBP is subject to risks relating to animal health and disease control. An outbreak of disease affecting livestock (such as foot-and-mouth disease or bovine spongiform encephalopathy (BSE), commonly referred to as mad cow disease) could result in restrictions on sales of products, restrictions on purchases of livestock from suppliers or widespread destruction of cattle. The discovery of BSE in the past caused certain countries to restrict or prohibit the importation of beef products. Outbreaks of diseases, or the perception by the public that an outbreak has occurred, or other concerns regarding diseases, can lead to inadequate supply, cancellation of orders by customers and create adverse publicity, any of which can have a significant negative impact on consumer demand and, as a result, on our consolidated financial position, cash flows and results of operations.

If NBP's products or products made by others using its products become contaminated or are alleged to be contaminated, NBP may be subject to product liability claims that could adversely affect its business.

NBP may be subject to significant liability in excess of insurance policy limits if its products or products made by others using its products cause injury, illness or death. In addition, NBP could recall or be required to recall products that are, or are alleged to be, contaminated, spoiled or inappropriately labeled. Organisms producing food borne illnesses (such as *E. coli*) could be present in NBP's products and result in illness or death if they are not eliminated through further processing or cooking. Contamination of NBP's or its competitors' products may create adverse publicity or cause consumers to lose confidence in the safety and quality of beef products. Allegations of product contamination may also be harmful even if they are untrue or result from third-party tampering. Any of these events may increase costs or decrease demand for beef products, any of which could have a significant adverse effect on our consolidated financial condition, cash flows and results of operations.

NBP generally does not enter into long-term contracts with customers; as a result, the volumes and prices at which beef products are sold are subject to market forces.

NBP's customers generally place orders for products on an as-needed basis and, as a result, their order levels have varied from period to period in the past and may vary significantly in the future. The loss of one or more significant customers, a significant decline in the volume of orders from customers or a significant decrease in beef product prices for a sustained period of time could negatively impact cash flows and results of operations.

NBP's exports expose it to political and economic risks in the U.S. and foreign countries, as well as to risks related to currency fluctuations.

Approximately 7.8% of NBP's 2025 sales were export sales, primarily to Japan, Mexico, South Korea, Hong Kong, China, Taiwan, Italy and Egypt, and on average these sales have a higher margin than domestic sales of similar products. A reduction in international sales could adversely affect revenues and margins. Risks associated with international activities include inflation or deflation and changes in foreign currency exchange rates, including changes in currency exchange rates of other countries that may export beef products in competition with NBP; the closing of borders by foreign countries to product imports due to disease or other perceived health or food safety issues; exchange controls; changes in tariffs; changes in political or economic conditions; trade restrictions and changes in regulatory requirements. Beginning in 2025, the U.S. government announced significantly increased tariffs on foreign imports into the U.S. from certain countries, including Canada, China, and Mexico, and in some cases threatened to impose additional tariffs. In response, several countries have imposed, or threatened to impose, reciprocal tariffs on imports from the U.S. and other retaliatory measures. Such tariffs could have the impact of reducing margin on foreign sales or lowering demand for NBP's exports. The occurrence of any of these events could increase costs, lower demand for products or limit operations, which could have a significant adverse effect on cash flows, results of operations and future prospects.

NBP incurs substantial costs to comply with environmental regulations and could incur additional costs as a result of new regulations or compliance failures that result in civil or criminal penalties, liability for damages and negative publicity.

NBP's operations are subject to extensive and stringent environmental regulations administered by the EPA and state, local and other authorities with regards to water usage, wastewater and storm water discharge, air emissions and odor, and waste management and disposal. Failure to comply with these laws and regulations could have serious consequences, including criminal, civil and administrative penalties and negative publicity. In addition, NBP incurs and will continue to incur significant capital and operating expenditures to comply with existing and new or more stringent regulations and requirements. Most of NBP's processing facilities procure wastewater treatment services from municipal or other regional governmental agencies that are in turn subject to environmental laws and permit limits regarding their water discharges. The remaining processing facilities operate wastewater treatment facilities that are subject to environmental laws and permit limits. As permit limits are becoming more stringent, upgrades and capital improvements to these treatment facilities are likely. In locations where NBP is a significant volume discharger, it could be asked to contribute toward the costs of such upgrades or to pay significantly increased water or sewer charges to recoup such upgrade costs. NBP may also be required to undertake upgrades and make capital improvements to its own wastewater pretreatment facilities, the cost of which could be significant. Compliance with environmental regulations has had and will continue to have a significant impact on NBP's cash flows and profitability. In addition, under most environmental laws, most notably the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and analogous state laws, NBP could be held liable for the cost to investigate or remediate any contamination at properties it owns or operates, or as to which it arranges for the disposal or treatment of hazardous substances, as such liability is imposed without regard to fault.

NBP is subject to extensive governmental regulation and noncompliance with or changes in applicable requirements could adversely affect its business, financial condition, cash flows and results of operations.

In addition to the environmental laws and regulations noted above, NBP is subject to extensive and evolving regulation and oversight, including regulation by the USDA (and its FSIS, APHIS and GIPSA agencies), the FDA, the DOL, the EEOC, the DHS and other federal, state, local and foreign authorities. This regulation and oversight pertains to all aspects of NBP's operations, including (i) the procurement of cattle, (ii) the processing, packaging, storage, safety, distribution and sale, advertising and labeling of its products, and (iii) the recruitment, employment, retention and safety of its employees. Accordingly, the failure or alleged failure to comply with existing or new laws and regulations could expose NBP to legal claims and enforcement actions and could result in administrative penalties and injunctive relief, civil remedies, fines, interruption of operations, recalls of products or seizures of properties, potential criminal sanctions and personal injury or other damage claims. These remedies, changes in the applicable laws and regulations or discovery of currently unknown conditions could increase costs, limit business operations and reduce profitability.

NBP's performance depends on an adequate labor supply and favorable labor relations with its employees, in particular employees represented by collective bargaining agreements.

A substantial number of NBP's employees are covered by collective bargaining agreements. In addition, many industries in the United States have recently experienced a shortage of trained labor, often for reasons beyond their control, including due to increased immigration enforcement actions. A failure to procure and retain an adequate labor supply or a labor-related work stoppage by unionized employees, or employees who become unionized in the future, could limit NBP's ability to process and ship products or could increase costs. Any significant decrease in adequately trained labor, any significant increase in labor costs, deterioration of employee relations, slowdowns or work stoppages at any of NBP's locations, whether due to union activities, employee turnover, pandemic, immigration enforcement or otherwise, could have a material adverse effect on our financial condition, cash flows and results of operations.

NBP faces industry-wide legal actions in connection with its business activities, and current or future legal actions may result in material liabilities and losses.

NBP has been named, and from time to time may be named, in various industry-wide legal actions, including arbitrations, class or representative actions, actions or inquiries by state attorneys general and other regulators, and other litigation arising in connection with its business activities. Adverse outcomes related to legal actions could result in substantial damages and could cause NBP's earnings to decline.

NBP is a defendant in five class action lawsuits in the United States District Court for the District of Minnesota alleging that it violated some combination of the Sherman Antitrust Act, the Packers and Stockyards Act, the Commodity Exchange Act, and various state laws and two class action lawsuits in Canada alleging violations of Canadian Competition Act and various provincial laws (the "Beef Antitrust Cases"). Since the original class action complaints were filed, certain purchasers of beef products have opted to file individual complaints and to proceed with direct actions making similar claims, and others may do so in the future. NBP is also a defendant in a class action lawsuit alleging that it directly and through industry wage surveys and a benchmarking service exchanged information regarding compensation and benefits in an effort to depress and stabilize wages and benefits in violation of federal antitrust laws (the "Wage Rate Antitrust Case"). NBP believes it has meritorious defenses to the claims in the Beef Antitrust Cases and the Wage Rate Antitrust Case and intends to defend these cases, and any other cases, vigorously. There can be no assurances, however, as to the outcome of these matters or the impact on the NBP's consolidated financial position, results of operations and cash flows. USPB has no way of predicting what, if any, impact the litigation will have on the earnings distributed by NBP to USPB. For information regarding legal proceedings, see Note 8. "Legal Proceedings" in USPB's consolidated financial statements included in Item 8. "Financial Statements and Supplementary Data".

Risk Factors Associated with USPB

USPB facilitates the delivery of the cattle provided by its Class A unitholders and associates to NBP and does not have arrangements for alternative markets for its Class A unitholders and associates cattle.

NBP is the only beef processor that USPB has a cattle delivery agreement with. USPB has not developed alternative customers for the cattle delivered by USPB's Class A unitholders and associates. If events were to occur which would prevent NBP from purchasing and processing the cattle supplied by USPB's Class A unitholders and associates, USPB would need to exercise provisions in its agreements with both NBP and USPB's Class A unitholders that would permit USPB to reduce the number of cattle acquired from Class A unitholders and sold to NBP. While such provisions would mitigate harm to USPB, it is likely that the value of the Class A and Class B units and the associated delivery rights held by USPB's Class A unitholders would be impaired.

USPB's investment in NBP could become impaired.

USPB's investment in NBP is carried under the equity method of accounting. Although NBP's results from operations were highly profitable prior to fiscal year 2025, industry trends, and other economic factors could have a negative impact on NBP's operations and cash flows. As a result, the fair market value of USPB's investment in NBP could decrease to a level that is less than the carrying value. If such situation is deemed to not be temporary, USPB would record an impairment charge, which may have an impact on the trading values of USPB's Class A and Class B units.

Pandemics, such as COVID-19, and labor shortages may adversely affect NBP's ability to keep the cattle slaughter at normal levels, the ability of USPB members to deliver cattle for processing based on their ownership of Class A units may be impacted.

Pandemics and labor shortages due to increased immigration enforcement or other reasons may cause NBP to temporarily reduce fed cattle slaughter at several of its beef processing plants. If NBP is unable to maintain the slaughter at normal levels for an extended period, USPB members may be delayed in delivering their cattle or may be required to deliver to a different NBP processing plant. As the right and obligation to deliver cattle is associated with ownership of USPB's Class A units, such a result may impact the value or liquidity of Class A units.

The other members of NBP do not deliver cattle to NBP for processing, creating the possibility that the interests of those other members of NBP could conflict with the interests of USPB and its unitholders.

The other members of NBP do not deliver cattle to NBP for processing and marketing. As a result, conflicts of interest may arise between USPB and NBP relating to cattle purchases. If a dispute were to arise, the settlement of any such dispute may not be on terms as favorable to USPB as would be expected if all of the members of NBP were involved in the delivery of cattle to NBP for processing.

The Internal Revenue Service could assert that USPB should be treated as a corporation for federal income tax purposes.

Under applicable regulations, an unincorporated entity such as a limited liability company is treated as a partnership for federal income tax purposes unless the entity is considered a “publicly traded partnership” or the entity affirmatively elects to be taxed as a corporation. USPB has not elected to be taxed as a corporation, and USPB believes that it should be treated as a partnership not taxable as a corporation for federal income tax purposes. Further, USPB has not requested and will not request any ruling from the IRS, however, with respect to its classification as a partnership for federal income tax purposes. If the IRS were to assert successfully that USPB were taxable as a corporation for federal income tax purposes in any taxable year, holders of Class A units and Class B units would not be required to report on their federal income tax returns their allocable share of USPB’s items of income, gain, deduction, and loss for that year and USPB would be subject to tax on its net income for that year at corporate tax rates. In addition, any distributions would be taxable to holders of Class A units and Class B units as dividend income. Taxation of USPB as a corporation could materially reduce the after-tax return on an investment in Class A units and Class B units and could substantially reduce the value of the Class A units and Class B units.

Failure to achieve and maintain effective internal controls could have a material adverse effect on USPB’s business, operating results and financial condition.

USPB documents and tests its internal control procedures in order to satisfy the requirements of the Sarbanes-Oxley Act, which requires annual management assessments of the effectiveness of its internal controls over financial reporting. This process is both costly and challenging. If USPB fails to achieve and maintain the adequacy of its internal controls, as such standards are modified, supplemented or amended from time to time, it may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with the Sarbanes-Oxley Act. Moreover, effective internal controls are necessary for USPB to produce reliable financial reports and are important to helping prevent financial fraud. If USPB cannot provide reliable financial reports or prevent fraud, its business and operating results could be harmed, investors could lose confidence in its reported financial information, and its business, results of operation and financial condition could be adversely affected.

USPB depends on the service of key senior management personnel, the loss of which could materially harm its business.

USPB’s continued success will depend, in part, on the efforts of its key senior management personnel. The market for qualified personnel is competitive and USPB’s future success will depend on its ability to attract and retain these personnel. USPB does not have long-term employment agreements with most of its senior management. USPB may not be able to negotiate either new contracts or renewals of any existing long-term employment agreements on terms favorable to USPB or at all. The loss of the services of any of USPB’s key senior management personnel or the failure to attract and retain highly skilled personnel in the future could have a material adverse effect on USPB’s business, results of operations and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY.

As part of our information technology needs, we have contracted with NBP to provide certain equipment and services related to telephone systems, servers, network access, desktop and end-user support, and back-office equipment support. Inherent in the services provided by NBP are its efforts to assess, identify and manage risks from cybersecurity threats related to the specific equipment and services it provides us. We have no independent internal processes for addressing cybersecurity threats and have not integrated any processes provided by NBP in assessing, identifying and managing risks from cybersecurity threats into our overall risk management system; however, we receive and review monthly reports from NBP on user access changes to our electronic accounting file share folder and address any concerns immediately.

We are not aware of any risks from cybersecurity threats or previous cybersecurity incidents that have materially affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition. This does not guarantee that future incidents or threats will not have a material impact or that we are not currently the subject of an undetected incident or threat that may have such an impact.

The Board of Directors of USPB (Board of Directors) has the responsibility to require USPB to have adequate oversight of risks from cybersecurity threats. The Chief Executive Officer presents updates to the Board of Directors at USPB on, among other things, the Company's cyber risks and threats, any changes to information security and the merging threat landscape. Management's role in assessing and managing our risks from cybersecurity risks has similarly been limited to the engagement of NBP to provide information technology equipment and services, as described above. If NBP were to inform us of a cybersecurity incident, that incident would be reported to the Board of Directors, if material in nature.

ITEM 2. PROPERTIES

USPB's corporate office is located at 12200 Ambassador Drive, Suite 501, Kansas City, Missouri 64163, in proximity to the corporate offices of NBP.

ITEM 3. LEGAL PROCEEDINGS

For information regarding legal proceedings, see Note 8. *Legal Proceedings* in USPB's consolidated financial statements included in Item 8. "*Financial Statements and Supplementary Data*".

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

There is no established public trading market for any class of common equity of USPB. As of February 28, 2026, there were 493 record holders of Class A units and 516 record holders of Class B units. The per unit transfer prices for the fiscal years 2025 and 2024 by quarter were as follows:

	Affiliated Sales				Third Party Sales				
	Class A		Class B		Class A		Class B		
	Low	High	Low	High	Low	High	Low	High	
Fiscal Year 2025									
Quarter ending:									
March 29, 2025	\$ 400.00	\$ 510.00	\$ —	\$ 748.00	\$ 334.00	\$ 334.00	\$ —	\$ —	
June 28, 2025	\$ —	\$ —	\$ —	\$ —	\$ 415.00	\$ 415.00	\$ —	\$ —	
September 27, 2025	\$ 250.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 360.00	\$ 360.00	\$ —	\$ —	
December 27, 2025	\$ 22.96	\$ 496.00	\$ 91.86	\$ 809.00	\$ —	\$ —	\$ —	\$ —	
Subsequent to December 27, 2025	\$ —	\$ —	\$ —	\$ —	\$ 350.00	\$ 450.00	\$ —	\$ —	
Fiscal Year 2024									
Quarter ending:									
March 30, 2024	\$ 450.00	\$ 500.00	\$ 300.00	\$ 1,000.00	\$ 363.00	\$ 550.00	\$ 846.00	\$ 900.00	
June 29, 2024	\$ 250.00	\$ 467.00	\$ 350.00	\$ 782.00	\$ 510.00	\$ 510.00	\$ 720.00	\$ 790.00	
September 28, 2024	\$ 166.54	\$ 166.54	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
December 28, 2024	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Subsequent to December 28, 2024	\$ 400.00	\$ 510.00	\$ 700.00	\$ 748.00	\$ 334.00	\$ 334.00	\$ —	\$ —	

The affiliated sales represent transfers that were not at arms-length and, therefore, the transfer prices disclosed above are not necessarily indicative of the market value of the Class A and Class B units during the periods in question.

During fiscal year 2024, the Board of Directors approved the following per unit cash distributions to be made to its Class A and Class B unitholders:

	Class A	Class B
Fiscal Year 2025	\$ 0.00	\$ 0.00
Fiscal Year 2024		
March 20, 2024	\$ 0.45	\$ 3.93
June 4, 2024	\$ 0.29	\$ 2.55
June 14, 2024	\$ 0.62	\$ 5.44

The payment of cash distributions is made only from assets legally available for that purpose and depends on the Company's financial condition, results of operations, and other factors then deemed relevant by the Board of Directors. Cash distributions are paid to the holders of Class A and Class B units at the discretion of the Board of Directors and with notice to USPB's senior lenders.

For a discussion of equity compensation plans, see Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Unitholder Matters*.

ITEM 6. RESERVED

Not applicable.

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

The following discussion should be read in conjunction with our financial statements and related notes and other financial information appearing elsewhere in this report. In addition to historical information, the following discussion and other parts of this report contain forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated by such forward-looking information due to the factors discussed under Item 1A, *Risk Factors, Disclosure Regarding Forward-Looking Statements* and elsewhere in this report.

Overview

USPB was formed as a closed marketing cooperative on July 1, 1996. Its mission is to increase the quality of beef and long-term profitability of cattle producers by creating a fully integrated producer-owned beef processing system that is a global supplier of high quality, value-added beef products responsive to consumer desires. USPB operates an integrated cattle processing and beef marketing enterprise where consumer and processor demands and requirements are implemented through changes in genetics, feeding, and management. USPB's unitholders benefit from its supplier alliance with NBP through (i) premiums received in excess of cash market prices for higher quality cattle, (ii) allocations of profits and potential distributions, (iii) potential unit price appreciation, and (iv) information that permits unitholders to make informed production decisions.

Effective August 29, 2004, the cooperative restructured into a limited liability company (LLC) under Delaware law (the Conversion). The business of USPB, the cooperative, is being continued in the LLC form of business organization.

As USPB filed a registration statement with the Securities and Exchange Commission (SEC) in connection with its 2004 Conversion from the cooperative form of business organization to an LLC structure, USPB is subject to the informational requirements of the Securities Exchange Act of 1934 (Exchange Act), although USPB is not required to be registered under the Exchange Act. Accordingly, USPB files periodic reports and other information with the SEC. Such reports and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports and information statements and other information regarding USPB and other issuers that file electronically.

On December 30, 2011, USPB sold the majority of its membership interests in NBP to Leucadia National Corporation. Following the sale, USPB owned 15.0729% of NBP's membership interests.

On November 29, 2019, Jefferies (formerly "Leucadia National Corporation") sold its remaining ownership interest in NBP to a combination of NBM US Holdings, Inc., a Delaware corporation owned by Marfrig Global Foods S.A.; NBPCo Holdings, LLC; and TMK Holdings, LLC. USPB elected to not participate in the acquisition and, as a result, USPB's ownership interest in NBP remained at 15.0729%.

USPB's investment in NBP is accounted for using the equity method of accounting as the Company has the ability to exercise significant influence but does not have financial or operational control. NBP's financial statements and footnotes are attached to USPB's 10-K. As a result of its investment in NBP, substantially all of USPB's income comes from its proportionate share of NBP's net income.

Products and Production

USPB provides an integrated cattle production, processing and marketing system for the benefit of its unitholders and associates. As the basis of that system, USPB's Class A unitholders have a guaranteed right plus an obligation (on a one head per Class A unit per delivery year basis) to deliver cattle to USPB, pursuant to the Uniform Cattle Delivery and Marketing Agreement (see *Cattle Delivery Arrangements*). USPB facilitates the delivery of cattle to NBP for processing and subsequent product distribution and marketing. Shortly after the cattle are processed, cattle suppliers receive, at no extra charge, individual animal carcass data previously considered proprietary by many processors. This carcass data assists producers in refining production methodologies, thereby improving the product quality and subsequently enhancing the return to the producer.

We believe the primary advantage of USPB's ownership in NBP is USPB's ability to provide NBP with a consistent supply of quality beef from a known source, allowing NBP to target higher margin value-added markets. Consumers have historically demonstrated their willingness and desire to buy branded products that offer better value in other consumer product markets, with the Certified Angus Beef[®] product line being an example in the beef industry.

NBP is one of the largest beef processing companies in the U.S., accounting for approximately 14% of fed cattle slaughter in the U.S. NBP processes and markets fresh and chilled boxed beef, ground beef, beef by-products, consumer-ready beef and pork, and wet blue leather for domestic and international markets. Based in Kansas City, Missouri, NBP had approximately 10,000 employees at December 27, 2025 and generated total revenues of \$13.8 billion in 2025.

The largest part of NBP's revenue is generated from the sale of boxed beef and beef by-products. NBP also generates revenues from value-added production of consumer-ready products. In addition, NBP operates one of the largest hide tanning facilities in the world, selling wet blue leather to tanners that produce finished leather for the automotive, luxury goods, apparel and furniture industries. Other streams of revenue include sales of portioned beef and other products directly to consumers through internet, direct mail and direct response television by its subsidiary, Kansas City Steak Company, LLC, and service revenues generated by National Carriers, Inc., a wholly-owned subsidiary that transports livestock and refrigerated products for NBP and a variety of other customers. NBP's profitability typically fluctuates seasonally as well as cyclically, based on the availability of fed cattle and demand for its products.

Critical Accounting Policies and Estimates

The following discussion and analysis of financial condition and results of operations are based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an ongoing basis, management evaluates and revises its estimates based on historical experience and other assumptions we believe are reasonable under the circumstances. Actual results may differ from those estimates. Changes in our estimates could materially affect our results of operations and financial condition for any particular period. We believe USPB's most critical accounting policy is as follows:

Accounting for Investment in NBP. On December 30, 2011, USPB sold the majority of its ownership interest in NBP to Leucadia National Corporation. On that date, USPB's investment in NBP was measured at fair value and has since been carried under the equity method of accounting. Operating losses, economic and industry events, and a variety of other factors may result in a decrease in the value of the investment, which is other than temporary. Such potential other than temporary decreases in value would cause the Company to record an impairment charge, which may have an impact on the trading values of USPB's Class A and Class B units.

Results of Operations

The following table presents the statements of operations data for USPB for the periods indicated:

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Net sales	\$ —	\$ —	\$ —
Costs and expenses:			
Cost of sales	—	—	—
Selling, general, and administrative expenses	3,399	3,268	3,525
Depreciation and amortization	14	13	20
Total costs and expenses	<u>3,413</u>	<u>3,281</u>	<u>3,545</u>
Operating loss	<u>(3,413)</u>	<u>(3,281)</u>	<u>(3,545)</u>
Other income:			
Interest income	2,185	3,001	3,238
Dividend income	7	—	—
Interest expense	—	—	(1)
Equity in net (loss) income of National Beef Packing Company, LLC	(19,768)	6,784	41,171
Other, net	1,167	1,010	713
Total other income (loss)	<u>(16,409)</u>	<u>10,795</u>	<u>45,121</u>
Net income (loss)	<u>\$ (19,822)</u>	<u>\$ 7,514</u>	<u>\$ 41,576</u>
Income (loss) per unit:			
Basic and diluted			
Class A units	\$ (2.70)	\$ 1.02	\$ 5.65
Class B units	\$ (23.62)	\$ 8.95	\$ 49.54
Outstanding weighted-average Class A and Class B units:			
Basic and diluted			
Class A units	735,385	735,385	735,385
Class B units	755,385	755,385	755,385

Fiscal Year Ended December 27, 2025 compared to December 28, 2024

Net Sales. There were no sales during the fifty-two week period ended December 27, 2025 and the fifty-two week period ended December 28, 2024.

Cost of Sales. There were no cost of sales during the fifty-two week period ended December 27, 2025 and the fifty-two week period ended December 28, 2024.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were approximately \$3.4 million for the fifty-two week period ended December 27, 2025, compared to approximately \$3.3 million for the fifty-two week period ended December 28, 2024, an increase of approximately \$0.1 million. The increase is primarily due to an increase in salaries.

Operating Loss. Operating loss was approximately \$3.4 million for the fifty-two week period ended December 27, 2025 compared to approximately \$3.3 million for the fifty-two week period ended December 28, 2024, an increase of approximately \$0.1 million. The increase was primarily due to an increase in salaries discussed above in *Selling, General and Administrative Expenses*.

Interest Income. Interest income was \$2.2 million during the fifty-two week period ended December 27, 2025 and \$3.0 million in the fifty-two week period ended December 28, 2024, a decrease of approximately \$0.8 million. The decrease was due to lower cash balances.

Equity in Net Income (Loss) of National Beef Packing Company, LLC. Equity in NBP net loss was \$19.8 million for the fifty-two week period ended December 27, 2025 compared to net income of \$6.8 million for the fifty-two week period ended December 28, 2024, a decrease of approximately \$26.6 million. The combined effects of lower gross margins per head and higher costs led to lower profitability in 2025 as compared to 2024. USPB carries its 15.0729% investment in NBP under the equity method of accounting.

Other, net. Other income was \$1.2 million for the fifty-two week period ended December 27, 2025 compared to \$1.0 million for the fifty-two week period ended December 28, 2024. Other, net is primarily due to delivery right lease income on company-owned delivery rights.

Income Tax Expense. USPB is structured as an LLC and is therefore not subject to income taxes at the company level. See Note 2. “*Basis of Presentation and Accounting Policies*” in USPB’s consolidated financial statements included in Item 8. “*Financial Statements and Supplementary Data*” for further information.

Net (Income) Loss. Net loss for the fifty-two week period ended December 27, 2025 was approximately \$19.8 million compared to the net income of approximately \$7.5 million for the fifty-two week period ended December 28, 2024, a decrease of approximately \$27.3 million. The decrease was due to lower gross margins per head and higher costs at NBP.

Fiscal Year Ended December 28, 2024 compared to December 30, 2023

Net Sales. There were no sales during the fifty-two week period ended December 28, 2024 and the fifty-two week period ended December 30, 2023.

Cost of Sales. There were no cost of sales during the fifty-two week period ended December 28, 2024 and the fifty-two week period ended December 30, 2023.

Selling, General and Administrative Expenses. Selling, general and administrative expenses were approximately \$3.3 million for the fifty-two week period ended December 28, 2024 compared to approximately \$3.5 million for the fifty-two week period ended December 30, 2023, a decrease of approximately \$0.2 million. The decrease is primarily due to lower bonus expense, which decreased primarily as a result of lower net income.

Operating Loss. Operating loss was approximately \$3.3 million for the fifty-two week period ended December 28, 2024 compared to approximately \$3.5 million for the fifty-two week period ended December 30, 2023, a decrease of approximately \$0.2 million. The decrease was due to the decrease in *Selling, General and Administrative Expenses* discussed above.

Interest Income. Interest income was \$3.0 million during the fifty-two week period ended December 28, 2024 and \$3.2 million in the fifty-two week period ended December 31, 2023, a decrease of approximately \$0.2 million. The decrease was due to lower interest rates.

Equity in Net Income (Loss) of National Beef Packing Company, LLC. Equity in NBP income was \$6.8 million for the fifty-two week period ended December 28, 2024 compared to \$41.2 million for the fifty-two week period ended December 30, 2023, a decrease of approximately \$34.4 million. The combined effects of lower gross margins per head and higher costs led to lower profitability in 2024 as compared to 2023. USPB carries its 15.0729% investment in NBP under the equity method of accounting.

Other, net. Other income was \$1.0 million for the fifty-two week period ended December 28, 2024 compared to \$0.7 million for the fifty-two week period ended December 30, 2023. Other, net is primarily due to delivery right lease income on company-owned delivery rights.

Income Tax Expense. USPB is structured as an LLC and is therefore not subject to income taxes at the company level. See Note 2. “*Basis of Presentation and Accounting Policies*” in USPB’s consolidated financial statements included in Item 8. “*Financial Statements and Supplementary Data*”.

Net Income. Net income for the fifty-two week period ended December 28, 2024 was approximately \$7.5 million compared to approximately \$41.6 million for the fifty-two weeks ended December 30, 2023, a decrease of approximately \$34.1 million. The

decrease was due to substantially lower net income at NBP.

Liquidity and Capital Resources

As of December 27, 2025, we had net working capital (the excess of current assets over current liabilities) of approximately \$36.2 million, which included cash and cash equivalents of \$14.1 million. As of December 28, 2024, we had net working capital of approximately \$67.5 million, which included cash and cash equivalents of \$39.0 million. Our primary sources of liquidity for fiscal years 2025 and 2024 were cash, and available borrowings under the Credit Agreement, Amended and Restated Revolving Term Promissory and Affirmation of Pledge Agreement with CoBank, ACB (CoBank) described below under “*CoBank Debt*.” Our principal use of cash is working capital.

USPB’s material contractual obligations include non-compete payments to be made to its Chief Executive Officer when he retires and payments for leased office space, the present value of which are approximately \$0.4 million and \$0.2 million, respectively.

CoBank Debt

On June 24, 2025, USPB and CoBank entered into an Amended and Restated Revolving Term Promissory Note (the “A&R Note”). The A&R Note amended and restated the Amended and Restated Revolving Term Promissory Note, dated July 13, 2020, issued by USPB to CoBank, which had a scheduled maturity of June 30, 2025. The A&R Note was issued under that certain Credit Agreement, dated July 13, 2020, between USPB and CoBank and is secured by an Affirmation of Pledge Agreement, dated July 13, 2020, providing CoBank with a first-priority security interest in USPB’s membership interests in, and distributions from, NBP.

The A&R Note provides for a \$1.0 million revolving term commitment. That commitment carries a term of five years, maturing on June 30, 2030. Amounts outstanding under the A&R Note bear interest at 2.6% plus the higher of 0.00% and Daily Simply SOFR (as defined in the A&R Note).

On July 24, 2025, USPB and CoBank entered into an Amendment to the A&R Note (the “Amendment”). The Amendment provides for an increase in the amount of the commitment under the A&R Note by an aggregate amount not exceeding \$30,000,000. There were no borrowings under the facility as of December 27, 2025.

USPB was in compliance with the financial covenant under its Credit Agreement as of December 27, 2025.

Cash Flows

	<u>52 weeks ended</u> <u>December 27, 2025</u>	<u>52 weeks ended</u> <u>December 28, 2024</u>	<u>52 weeks ended</u> <u>December 30, 2023</u>
Net cash (used in) provided by:		(thousands of dollars)	
Operating activities	\$ (489)	\$ 754	\$ 54,142
Investing activities	(24,657)	(10,224)	(20,009)
Financing activities	190	(10,003)	(73,384)
Net decrease in cash and cash equivalents	<u>\$ (24,956)</u>	<u>\$ (19,473)</u>	<u>\$ (39,251)</u>

Operating Activities

Net cash used in operating activities was \$0.5 million in fiscal year 2025 as compared to net cash provided by operating activities of \$0.8 million in fiscal year 2024. The \$1.2 million decrease was primarily due to losses and changes in working capital in the current period.

Net cash provided by operating activities was \$0.8 million in fiscal year 2024 as compared to \$54.1 million in fiscal year 2023. The \$53.3 million decrease was primarily due to decreased distributions received from NBP that were classified as a distribution from operating activities.

Investing Activities

Net cash used in investing activities was approximately \$24.7 million in fiscal year 2025 compared to \$10.2 in fiscal year 2024. The change was primarily due to the purchase of an additional 130.4415 units of membership interests of NBP for approximately \$30.1 million and changes in investments of certificate of deposits and treasury securities in 2025. For more information on the purchase of membership interest units in NBP, see Note 2. “*Basis of Presentation and Accounting Policies*” in USPB’s consolidated financial statements included in Item 8. “*Financial Statements and Supplementary Data*”.

Net cash used in investing activities was \$10.2 million in fiscal year 2024 compared to \$20.0 million in fiscal year 2023. The change was due to an investment in certificates of deposit at U.S. Bank in 2024.

Financing Activities

Net cash provided by financing activities was \$0.2 million in fiscal year 2025 as compared to net cash used of \$10.0 million in fiscal year 2024. The \$10.2 million increase was due to not paying distributions to members in fiscal year 2025.

Net cash used in financing activities was \$10.0 million in fiscal year 2024 as compared to \$73.4 million in fiscal year 2023. The \$63.4 million decrease was due to a decrease in distributions to members in fiscal year 2024, compared to fiscal year 2023.

USPB believes cash, cash flows from operating activities, and available borrowings under the Credit Agreement will be sufficient to support its working capital and cash flow requirements.

Off-Balance Sheet Arrangements

As of December 27, 2025 and December 28, 2024, we did not have any material off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Inflation

We believe our results of operations are not materially affected by moderate changes in the inflation rate. Inflation and changing prices did not have a material effect on our operations in fiscal years 2025 and 2024. Severe increases in inflation, however, could affect the global and U.S. economies and could have an adverse effect on our business, financial condition and results of operations.

Seasonality and Fluctuations in Operating Results

The Company’s operating results are influenced by seasonal factors in the beef industry. These factors affect the price NBP pays for livestock as well as the ultimate price at which NBP sells its products. The seasonal demand for beef products is highest in the summer and spring months as weather patterns permit more outdoor activities and there is an increased demand for higher value items that are grilled, such as steaks. Both live cattle prices and boxed beef prices tend to be at seasonal highs during the summer and fall. Because of higher consumption, more favorable growing conditions and the housing of animals in feedlots for the winter months, there are generally more cattle available in the summer and fall.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The principal market risk affecting USPB's business is exposure to interest rate risk, to the extent the Company has debt outstanding. As of December 27, 2025, the Company did not have any outstanding debt.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and notes thereto, and other information required by this Item 8, are included in this report beginning on page F-1.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

We maintain a system of controls and procedures designed to provide reasonable assurance as to the reliability of the financial statements and other disclosures included in this report, as well as to safeguard assets from unauthorized use or disposition. We evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e) under supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, as of the end of the period covered by this Annual Report on Form 10-K, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective in alerting them, in a timely manner, to material information required to be included in our periodic SEC filings. There have been no changes in our internal control over financial reporting during the fifty-two weeks ended December 27, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The design of any system of controls and procedures is based in part upon certain assumptions about the likelihood of future events.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance as to the reliability of the Company's financial reporting and the preparation of financial statements in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and managers of the Company; and
- 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 Company's financial statements.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, internal control over financial reporting determined to be effective can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements. Moreover, 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.

Management has assessed the effectiveness of the Company's internal control over financial reporting as of December 27, 2025. In making this assessment, management used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework* (2013 Framework).

Based on the Company's processes and assessment, as described above, management has concluded that, as of December 27, 2025, the Company's internal control over financial reporting was effective.

This annual report does not include a report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

ITEM 9B. OTHER INFORMATION

Trading Plans.

The Company may purchase a portion of its outstanding Class A and Class B units from time to time in accordance with the limits imposed under the Credit Agreement with CoBank. The Company did not make any purchases in 2025.

During the quarter ended December 27, 2025, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE****Board of Directors**

USPB's business and affairs are governed by its Board of Directors. The Board of Directors is to consist of seven directors. The Board of Directors has full authority to act on behalf of USPB. The Board of Directors act collectively through meetings, committees and executive officers it appoints. In addition, USPB employs a staff of professionals to manage the day-to-day business of USPB. The members of the Board of Directors, nominees to the Board of Directors and the executive officers are identified below. There are no arrangements or understandings pursuant to which any director, nominee to become a director or executive officer was elected or appointed.

Mark R. Gardiner. Mr. Gardiner is President of Gardiner Angus Ranch, Inc. (GAR), a family owned purebred and commercial Angus operation headquartered at Ashland, Kansas, with 10 seedstock satellite cowherds across the United States and Australia. Mr. Gardiner has been involved with the management of GAR since 1983. GAR markets over 2,000 bulls and 700 females per year to both commercial and seedstock beef producers throughout the United States. GAR also runs an embryo transfer program that makes more than 3,500 transfers per year, including more than 60% of GAR's 1,500-plus head of registered Angus calves born each year. A percentage of its calves are finished at commercial feedlots to provide carcass data on all Gardiner sires. In addition to a native range program, GAR operates a significant dryland farming enterprise. Mr. Gardiner is a member of the National Cattlemen's Beef Association, Kansas Livestock Association, American Angus Association, Kansas Angus Association and the Beef Improvement Federation. He also serves on the Board of Irsik & Doll Company, a privately held company primarily involved in cattle feeding, grain and feed merchandising. Mr. Gardiner has served as a member of the Company's Board of Directors since 1996. He was elected Secretary/Treasurer of the Board of Directors in 2003, Vice Chairman of the Board of Directors in 2004 and Chairman of the Board in 2006. Mr. Gardiner holds a Bachelor's degree from Kansas State University in Animal Sciences and Industry. As a member of USPB's Board of Directors, Mr. Gardiner and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

Joe M. Morgan. Mr. Morgan has been managing commercial feed yards since 1983. He is now CEO of Poky Feeders and part owner since 1987. Mr. Morgan has been involved with employee issues and the growth of Poky Feeders (starting with a capacity of 17,000 head to today of over 100,000 head), plus ranches in six states. Mr. Morgan has had responsibility for all banking of Poky Feeders for over 35 years and has responsibility for risk management of all feeding entities. He also has farming interests in Iowa and is a member of the National Cattlemen's Beef Association and the Kansas Livestock Association. Mr. Morgan holds a Bachelor's degree in Animal Science from Iowa State University. Mr. Morgan has served as a member of the Company's Board of Directors since 2007 and as a Nominating Committee member prior to 2007. As a member of USPB's Board of Directors, Mr. Morgan and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

Jerry L. Bohn. Mr. Bohn has been a board member and owner of Pratt Feeders. Mr. Bohn also owns and manages a 2,000 to 3,000 head cattle operation which includes grazing and finishing cattle. Throughout Mr. Bohn has over 40 years of agricultural business management experience, he has worked with complex banking and financial data and is required to make decisions involving several hundred thousand dollars, on a daily basis. Mr. Bohn previously was employed as Director of Market Analysis for Cattle-Fax, an industry market analysis firm. Mr. Bohn has served as president of the Kansas Livestock Association. He has been a Board member of the Kansas Beef Council, the National Cattlemen's Beef Association (NCBA) and Feeders Advantage, a private animal health product distribution company. Mr. Bohn was NCBA's President in 2021, President Elect in 2020 and as NCBA's Vice President in 2019, served on the NCBA's Executive Committee, chairman of NCBA's Live Cattle Marketing, and NCBA's Policy Committee, serving as Chair in 2018 and Vice-Chair in 2017. Mr. Bohn served on USPB's Board from 2004 through 2007 and was reelected in 2009. He holds a Bachelor's degree in Animal Sciences and Industry from Kansas State University. As a member of USPB's Board of Directors, Mr. Bohn and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

Wayne L. Carpenter. Mr. Carpenter has been the President and owner of Carpenter Cattle Company Inc. since it was established in 1980. His operation today consists of a 20,000 head feed yard which markets 10,000-11,000 head through USPB annually. Mr. Carpenter runs 2,300 mother cows and also yearlings on ranches in Kansas and Nebraska. His farming operation consists of dryland and irrigated acres, which markets most of its crop production through the feed yard. Mr. Carpenter is a member of Kansas Livestock Association and National Cattlemen's Beef Association. Carpenter Cattle Company Inc. has been a member of USPB since USPB's inception. Mr. Carpenter has served as a member of the Company's Board of Directors since 2016. As a member of USPB's Board of Directors, Mr. Carpenter and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

John M. Freund. Mr. Freund has been actively involved in his family's cattle feeding operation in Southwest Iowa since 1985 and has been president since 2005. In addition to the feeding operation, the business also includes feed grain production and has ownership in stockers, feedlot production and a ranch in other Midwest states. He has been a member of USPB since its inception and was a member of the company's Nominating Committee from 2011 to 2015. As a member of USPB's Board of Directors, Mr. Freund and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

Randall K. Spare. Dr. Spare is the President of Ashland Veterinary Center (AVC), in Ashland, Kansas. Dr. Spare and his wife Michelle started AVC in 1990. Under Dr. Spare's direction, AVC and its six veterinarians serve large and small animal clients in a four-state region, specializing in commercial beef ranching operations, feedlots and pet owners. AVC provides reproductive services, including synchronization, artificial insemination, genomic testing and semen sales on several thousand head of registered and commercial cattle each year. Dr. Spare assists commercial cow-calf producers to understand and implement genomic information to improve cow herds and create opportunities to capture value across all production sectors. Dr. Spare assists producers in marketing 8,000 to 10,000 head annually, many of which are finished cattle delivered to USPB that consistently finish in the top 25% or higher of the USPB grid. As a member of USPB's Board of Directors, Dr. Spare and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

Jeff H. Sternberger. Mr. Sternberger is the General Manager and part owner of Midwest Feeders, Inc. Mr. Sternberger has served Midwest Feeders, Inc. in this capacity since 1992 and has overseen large growth in his company and directed the acquisition of other businesses to add to their holdings. Mr. Sternberger has been the direct contact during that time frame for all banking and accounting relationships. He also owns and operates a farming and cattle operation in Oklahoma and Kansas as well as a personal cattle feeding operation. He serves as a director of Midwest Feeders, Inc., CRI Feeders of Guymon LLC, Brookover Cattle Co. of Scott City LLC, Lloyd Waller Feedyard LLC and Bank of the Plains. Mr. Sternberger holds a Bachelor of Science Degree in Agricultural Economics from Oklahoma State University. As a member of USPB's Board of Directors, Mr. Sternberger and the entities he is associated with that deliver cattle to USPB are considered affiliates of USPB.

Stanley D. Linville. Mr. Linville has served as the Company's Chief Executive Officer since January 28, 2013. Prior to this appointment, he served as the Company's Chief Operating Officer, a position he held since joining the Company in 1997. As CEO, Mr. Linville continues to oversee cattle scheduling and technical operations. Before joining U.S. Premium Beef, he operated a family farming operation near Holcomb, Kansas. He also worked in the cattle division of Brookover Enterprises at Garden City, Kansas, and as a grain merchandiser for Bartlett Grain Co. in Kansas City. Mr. Linville holds a Bachelor's degree in Agricultural Economics from Kansas State University.

Scott J. Miller. Mr. Miller has served as the Company's Chief Financial Officer since January 2010. Prior to this appointment, he served as the Company's Chief Reporting and Compliance Officer, a position he held since joining the Company in 2005. He oversees the finance and treasury functions and is directly responsible for financial reporting, tax reporting, and ensuring compliance with internal policies and regulatory requirements. Before joining U.S. Premium Beef, he worked as the Manager, Capital Markets for Sprint Corporation from 2001 to 2005 and, prior to that, in various finance and accounting positions with Farmland Industries, Inc. Mr. Miller earned a Bachelor's degree in Accounting from Benedictine College and an MBA with an emphasis in Finance from the University of Missouri. He has passed the Certified Public Accounting exam and the Certified Cash Manager exam.

Danielle D. Imel. Ms. Imel is the Company's Treasurer and joined the Company in 1998. She oversees the Company's finance functions and is directly responsible for Company treasury activities. She was employed by the CPA firm of Kennedy, McKee and Co., LLC of Dodge City, Kansas, prior to joining USPB. Ms. Imel earned a Bachelor's degrees in Accounting and Agricultural Economics from Kansas State University.

Board of Directors

Under USPB's limited liability company agreement, the number of directors is set by the Board of Directors but may not be less than seven directors. Directors must be unitholders of USPB. Seven directors will always be elected by unitholders holding Class A units.

The directors are elected at the annual meeting of the unitholders and hold office for a term of three years. The terms of the directors are staggered in such a manner that approximately one-third of the directors will be elected each year. All directors will hold office until their successors are elected and qualified. Any vacancy in the board, other than a vacancy resulting from expiration of a term of office, will be filled by a majority vote of the remaining directors. In case a vacancy in the Board of Directors extends beyond the next annual meeting, the vacancy will be filled by the remaining directors until such meeting, at which meeting a director will be chosen by the unitholders for the unexpired term of such vacancy.

In the discretion of the Board of Directors, the number of directors may be increased by up to an additional five directors. Those additional directors will represent the Class B unitholders and may be elected or appointed by either the Board of Directors or by the holders of Class B units.

Family Relationships

There are no family relationships between any director, executive officer, or person nominated or chosen to become a director or executive officer.

Compensation of Directors

The Board of Directors meets from time to time at such time and place as may be fixed by resolution adopted by a majority of the whole Board of Directors. Members of the Board of Directors receive a per diem payment of \$250 for each activity on behalf of USPB, as well as direct reimbursement of travel expenses related to service on the Board of Directors.

Audit Committee

The Board of Directors has an Audit Committee consisting of Messrs. Gardiner, Bohn, and Sternberger. Subject to the qualifications in the section headed "Directors who are unitholders" in Item 13 below, all members of the Audit Committee are considered independent within the meaning of the listing standards of NASDAQ. Mr. Gardiner is Chairman of the Audit Committee. The Board of Directors has identified Mr. Bohn as an "audit committee financial expert". The Audit Committee selects and retains independent auditors and assists the Board of Directors in its oversight of the integrity of USPB's financial statements, including the performance of our independent auditors in their audit of our annual financial statements. The Audit Committee meets with management and the independent auditors, as may be required. The independent auditors have full and free access to the Audit Committee without the presence of management. The Audit Committee has a charter.

Code of Ethics

USPB has adopted a corporate Code of Conduct that is enforced throughout all levels of management and a Code of Ethics for Financial Officers for its Chief Executive Officer, Chief Financial Officer, and Treasurer within the meaning of the rules and regulations of the SEC. The Code of Ethics are intended to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code. A copy of the Code of Conduct may be obtained, without charge, upon written request to Scott J. Miller, Chief Financial Officer, U.S. Premium Beef, LLC, P. O. Box 20103, Kansas City, Missouri 64195.

The Company has an Insider Trading Policy governing the purchase, sale and/or other dispositions of its securities by officers, directors and management personnel. This policy is reasonably designed to promote compliance with insider trading laws, rules and regulations and any applicable listing standards. The policy does not apply to the Company because the Company historically has not purchased units on the open market and does not expect to do so in the future. A copy of our Insider Trading Policy is filed as Exhibit 19 to our Annual Report on Form 10-K for the year ended December 28, 2024 and incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Program

This Compensation Discussion and Analysis describes the material elements of compensation paid to our named executive officers as well as the objectives and material factors underlying our compensation program. The compensation program places emphasis on USPB's financial performance and the benefits received by USPB's unitholders.

The Compensation Committee (Committee) is responsible for developing and administering the compensation program for USPB's named executive officers and professional staff.

Compensation Philosophy and Objectives

USPB's compensation program is a key element in attracting, retaining, and motivating named executive officers with the skills necessary to create value for the unitholders. To achieve this goal, we have designed the compensation program with the following objectives:

- *Attracting and retaining top talent*—The compensation of USPB's executive officers must be commensurate with the competitive regional marketplace taking into consideration job responsibilities and supply of competent employees with the education and background to perform at the highest levels in their field.
- *Paying for financial and operational performance*—The compensation of USPB's executive officers should motivate them to achieve strong financial and operational results. USPB must achieve specific levels of financial and operational performance to allow executives to earn this portion of their compensation.
- *Alignment with the equity interests of our unitholders*—Management phantom unit plans approved in September 2010 and January 2013 aligns management's interest with the equity interests of USPB's unitholders.

Each element of our compensation program is designed to achieve one or more of these objectives. The structure of a particular executive's compensation may vary depending on the scope and level of that executive's responsibilities.

Determining Executive Compensation

The CEO makes recommendations to the Committee regarding the salaries and bonus programs for the executive officers other than the CEO. The Committee reviews the recommendations, taking into account each element of total compensation. Based on the foregoing, the Committee uses its judgment in making compensation decisions that will best carry out USPB's philosophy and objectives for executive compensation.

Fiscal Year 2025 Executive Compensation Elements

The elements of our named executive officers total compensation package are as follows:

- base salary;
- annual cash bonuses;
- long-term cash bonus;
- discretionary cash bonuses;
- retirement plans; and
- limited personal benefits.

Elements of Our Compensation Program

Base Salary

Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team, when considered in combination with the other components of our executive compensation program. The relative levels of base salary for named executive officers are designed to reflect each executive officer's scope of responsibility and accountability with USPB. Except for the CEO's salary, base salaries are reviewed annually to determine if they are consistent with the performance of the individual executive and equitable relative to USPB's other executive officers and professional staff. Salary surveys summarizing the compensation packages for positions of equivalent responsibility in related industries were used to establish the CEO's base salary.

On December 22, 2021, USPB entered into an amended employment agreement with Mr. Linville (2022 Employment Agreement), which became effective on December 26, 2021. The 2022 Employment Agreement provides for Mr. Linville to serve as USPB's CEO for a term that started on December 26, 2021 and expires on December 26, 2026. The 2022 Employment Agreement provides for Mr. Linville to receive an annual base salary of \$363,000.

Annual Cash Incentive/Bonuses

Cash incentive and bonus plans were designed to provide the financial incentive to the CEO and other named executive officers to influence USPB unitholder benefits and are only paid after certain levels of benefits have been achieved.

Under the terms of the 2022 Employment Agreement, if Mr. Linville is employed by USPB on the last day of any fiscal year, he shall be paid an annual incentive compensation equal to seventy-five one-hundredths of a percent (0.75%) of the sum of the total financial benefits to USPB (USPB Total Benefits) that exceed \$25,000,000 (Annual Incentive). The USPB Total Benefits are: (1) audited fiscal year-end USPB earnings before tax; and (2) the fiscal year USPB grid premiums, which is the net sum of all USPB unitholder and associate grid premiums and discounts calculated through all USPB grids at all plants as outlined in the 2022 Employment Agreement.

For fiscal year 2025, named executive officers and certain professional staff who were employed on the last day of the fiscal year will be paid his or her proportionate share of the Management Bonus Pool. The Management Bonus Pool is: (1) the audited fiscal year 2025 USPB loss before tax plus USPB grid premiums during the fiscal year, less (2) \$25,000,000, multiplied by (3) management bonus factor. The bonus plan payments are vested over a two-year period. The maximum Management Bonus Pool for a given bonus plan year is equal to 150% of the sum of the qualifying participants' salaries in effect at the end of such year.

Long-term Incentive

Mr. Linville is eligible for a long-term incentive compensation under the 2022 Employment Agreement. If he is employed by USPB on December 26, 2026, he is to be paid long-term incentive compensation equal to fifty one-hundredths of a percent (0.50%) of the amount by which the USPB Total Benefits from December 26, 2021 to December 26, 2026 exceed \$75,000,000 (Long-Term Incentive). The 2022 Employment Agreement provides for a cumulative annual cap of \$544,500 for payments to Mr. Linville for Annual Incentive and Long-Term Incentive cash bonuses.

Discretionary Cash Bonuses

Discretionary bonuses may be paid to named executive officers, other than the CEO, and professional staff to compensate for extraordinary cases of individual or Company performance.

Retirement Plans

Qualifying employees are encouraged to participate in the Company's sponsored 401(k) savings plan. Under USPB's plan, employees may contribute up to the maximum amount permissible by IRS limits. USPB matches 100% of each dollar contributed by a participant up to a maximum of 4% of his or her qualifying compensation.

Limited Personal Benefits

USPB also provides certain benefits to all salaried employees that are not included as perquisites in the Summary Compensation Table for the named executives because they are broadly available. These include health and welfare benefits, and disability and life insurance.

Equity Compensation

In September 2010, USPB's Board of Directors approved a management phantom unit plan. The phantom unit plan provides for the award of unit appreciation rights to certain management employees of USPB. USPB's CEO administers the phantom unit plan and awards "Phantom Units" (Class A and Class B Units) to employees in amounts determined by the CEO, subject to the total Phantom Unit amount approved by the Board of Directors of USPB. During fiscal year 2011, a total of 5,000 Class A phantom units and 5,000 Class B phantom units were awarded to management employees. As a result of the retirement of one of USPB's employees on December 31, 2014 and due to USPB's CEO exercising 260 Class A and Class B units in December 2025, 4,490 Class A phantom units and 4,490 Class B phantom units remain outstanding under the 2010 management phantom unit plan, all of which were fully vested.

In November 2012, USPB's Board of Directors approved the issuance of an additional 1,500 Class A phantom units and 1,500 Class B phantom units to certain members of management, to be effective on January 28, 2013. USPB's CEO exercised 200 Class A and Class B units in December 2025, 1,300 Class A phantom units and 1,300 Class B phantom units remained outstanding, all of which were fully vested. These phantom units were fully vested and remained outstanding.

Employment Agreements

With the exception of the CEO, all of our executive officers are employed at-will, without employment agreements, severance payment agreements or payment arrangements that would be triggered by a "change in control" of USPB.

CEO Employment Agreement

On December 22, 2021, USPB entered into the 2022 Employment Agreement with Mr. Linville, which became effective on December 26, 2021 and expires on December 26, 2026, subject to earlier termination as provided in the agreement. The 2022 Employment Agreement provides for a \$363,000 salary and annual and long-term cash bonuses. The 2022 Employment Agreement provides for a cumulative average annual cap of \$544,500 for payments to Mr. Linville for annual and long-term cash bonuses.

The 2022 Employment Agreement also provides for post termination compensation. In addition to the amounts described below that will be payable upon termination of the agreement, Mr. Linville has agreed to a noncompetition provision that, for twelve (12) months following the termination of Mr. Linville's employment with USPB, prohibits him from participating in the management or control of any beef industry business or enterprise that competes with the business of USPB and its various affiliates. During such period, Mr. Linville will receive a monthly payment equal to one twelfth of Mr. Linville's annual salary at the time of termination. If Mr. Linville terminates the agreement for any or no reason, USPB need only pay salary earned to the date of the termination, and the noncompetition compensation, unless termination is the result of death or permanent disability. If USPB terminates the agreement for any reason, other than termination by Mr. Linville for good reason or if USPB terminates for cause, other than cause, death or disability, or if Mr. Linville terminates the 2022 Employment Agreement for good reason, Mr. Linville shall be entitled to salary and benefits through employment year 2026; payment of certain fringe benefits through employment year 2026; the annual incentive bonus for the year in which the termination occurs and each subsequent year through employment year 2026; the long-term incentive bonus that would have accrued had Mr. Linville been employed through employment year 2026; and the payment of the noncompetition compensation.

Impact of Tax and Accounting Treatments

We believe the compensation paid to our named executive officers is fully deductible under the Internal Revenue Code at the time it is paid.

Unit Ownership Guidelines

USPB does not allow its named executive officers to own USPB's Class A or Class B units. As of December 27, 2025, certain members of management own a total of 5,790 Class A and 5,790 Class B phantom unit rights awarded under the management phantom unit plans discussed above.

The Company does not grant options and therefore does not have a policy regarding the timing of making any such awards in relation to the disclosure of material non-public information.

Compensation Committee Report

The Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with USPB's management. Based on the Committee's review and discussions with management, the Committee has recommended to the Board of Directors that this Compensation Discussion and Analysis be included in this Annual Report on Form 10-K.

Compensation Committee

Mark Gardiner – Chairman
Joe Morgan
Jerry Bohn

Summary Compensation Table

The table below sets forth information regarding compensation for our named executive officers for fiscal years 2025, 2024, and 2023. Non-Equity Incentive Plan Compensation amounts reflected in this table are performance based awards and include amounts earned under our annual and long term cash bonus plans.

Name and Principal Position	Period	Salary (\$)	Bonus (\$)	Option Awards (\$)	Non-Equity	All Other	Total (\$)
					Incentive Plan Compensation (\$)	Compensation (\$)	
Stanley D. Linville Chief Executive Officer	FY 2025	365,792	–	–	942,540 (3)	14,000 (1)	1,322,332
	FY 2024	372,075	–	–	377,561 (3)	136,754 (1)	886,390
	FY 2023	363,000	–	–	544,500 (3)	461,424 (1)	1,368,924
Scott J. Miller Chief Financial Officer	FY 2025	231,358	–	–	116,151 (2)	13,471 (1)	360,980
	FY 2024	224,307	–	–	122,208 (2)	104,679 (1)	451,194
	FY 2023	218,077	–	–	88,642 (2)	344,496 (1)	651,215
Danielle D. Imel Treasurer	FY 2025	146,768	–	–	75,789 (2)	8,622 (1)	231,179
	FY 2024	142,493	–	–	79,741 (2)	66,368 (1)	288,602
	FY 2023	138,804	–	–	57,839 (2)	208,080 (1)	404,723

(1) Mr. Linville - Amounts for Mr. Linville include Company match under our 401(k) plan and non-dilution payments made as a result of the management phantom unit plan, \$14,000 and \$0, respectively in fiscal year 2025; \$13,800 and \$122,954, respectively in fiscal year 2024; and \$13,200 and \$448,224, respectively in fiscal year 2023.

Mr. Miller - Amounts for Mr. Miller include Company match under our 401(k) plan and non-dilution payments made as a result of the management phantom unit plan, \$13,471 and \$0, respectively in fiscal year 2025; \$13,800 and \$90,879, respectively in fiscal year 2024; and \$13,200 and \$331,296, respectively in fiscal year 2023.

Ms. Imel - Amounts for Ms. Imel include Company match under our 401(k) plan and non-dilution payments made as a result of the management phantom unit plan, \$12,910 and \$53,458, respectively in fiscal year 2024; and \$13,200 and \$194,880, respectively in fiscal year 2023. Amounts to Ms. Imel in 2025 did not exceed \$10,000.

(2) This amount represents the executive's proportionate share of the Management Bonus Pool. One half of this amount will not be paid unless the executive is employed at the end of following fiscal year.

(3) The amount of non-equity incentive plan compensation, which is to include the annual cash bonus and amounts earned pursuant to the long-term cash bonus plan pursuant to Mr. Linville's employment agreement. The amounts represent annual cash bonus of \$358,849, \$337,561, and \$544,500 for fiscal years 2025, 2024, and 2023, respectively, and \$0, \$0, and \$0 of long-term cash bonuses for fiscal years 2025, 2024, and 2023, respectively; and phantom exercise payments of \$583,691, \$0, and \$0 for fiscal years 2025, 2024, and 2023 respectively. The Linville Employment Agreement provides for a cumulative annual cap for payments to Mr. Linville for annual and long-term incentive amounts.

Grants of Plan-Based Awards in the Fiscal Year 2025

The table below sets forth information regarding grants of non-equity incentive plan-based awards made to our named executive officers during fiscal year 2025.

Name and Principal Position	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards		
		Threshold (\$)	Target (\$)	Maximum (\$)
Stanley D. Linville (2) Chief Executive Officer	n/a	\$ —	\$ — (2)	\$ 897,089
Scott J. Miller Chief Financial Officer	10/22/2025	\$ —	\$ 93,436 (1)	\$ 340,868
Danielle D. Imel Treasurer	10/22/2025	\$ —	\$ 60,967 (1)	\$ 222,416

- (1) The target amount is based on estimated benefits for fiscal year 2026. Amounts to be paid, which could be more or less, will be based on actual input amounts for fiscal year 2026 and will be paid out over a two-year period.
- (2) The maximum compensation allowed under Mr. Linville's 2022 Employment Agreement is \$2,722,500 over the contract period. Through fiscal year 2025, Mr. Linville has been paid \$1,825,411 (\$544,500 for fiscal year 2022, \$544,500 for fiscal year 2023, \$377,562 for fiscal year 2024, and \$358,849 for fiscal year 2025), leaving \$897,089 in potential future payments to Mr. Linville during the remainder of his contract period. There were no plan-based awards in fiscal year 2025 for Mr. Linville.

Discussion of Summary Compensation Table and Grants of Plan-Based Awards

Performance Based Annual Cash Bonuses

Our executive officers earn bonus awards made pursuant to various annual cash bonus plans. The awards utilize formulas set by the Compensation Committee. The bonuses earned pursuant to the plans appear in the Non-Equity Incentive Plan Compensation in the Summary Compensation Table. Annual incentive bonuses awarded to executives, excluding Mr. Linville, also appear in the Grants of Plan Based Awards table. The formulas used to calculate the annual performance-based bonus awards to the Named Executive Officers were as follows:

Name	Bonus Formula
Stanley D. Linville	For fiscal year 2026: 0.75% of the sum of the total financial benefits to USPB (USPB Total Benefits) that exceed \$25,000,000. USPB Total Benefits are: (1) audited fiscal year-end USPB earnings before tax; and (2) the fiscal year USPB grid premiums, which is the net sum of all USPB unitholder and associate grid premiums and discounts calculated through all USPB grids at all plants as outlined in the Employment Agreement.
Scott J. Miller and Danielle D. Imel	For fiscal year 2026: The executive's proportionate share of the Management Bonus Pool, which is (1) the audited fiscal year 2026 USPB earnings before tax plus USPB grid premiums during fiscal year 2026, less (2) \$25,000,000, multiplied by (3) management bonus factor. The bonus plan payments are vested over a two-year period. The maximum Management Bonus Pool for a given bonus plan year is equal to 150% of the sum of the qualifying participants' salaries in effect at the end of such year.

Other Bonuses

Discretionary cash bonuses may also be paid to executive officers from time to time to reward elements of performance that are not reflected in the criteria for performance based cash bonuses. No such bonuses were paid to executive officers in fiscal years 2025, 2024, and 2023. The discretionary bonuses, if paid, are disclosed in the Bonus column in the Summary Compensation Table.

Outstanding Phantom Plan Awards at Fiscal Year End 2025

Name and Principal Position	Number of Securities Underlying Unexercised Awards	Strike Price (\$)	Expiration Date
Stanley D. Linville Chief Executive Officer	1,040 Class A Units (1)	\$0.00 (3)	None
	1,040 Class B Units (1)	\$0.00 (3)	None
	800 Class A Units (2)	\$66.04	None
	800 Class B Units (2)	\$73.70	None
Scott J. Miller Chief Financial Officer	1,200 Class A Units (1)	\$0.00 (3)	None
	1,200 Class B Units (1)	\$0.00 (3)	None
	500 Class A Units (2)	\$66.04	None
	500 Class B Units (2)	\$73.70	None
Danielle D. Imel Treasurer	1,000 Class A Units (1)	\$0.00 (3)	None
	1,000 Class B Units (1)	\$0.00 (3)	None

- (1) The phantom plan awards, which provide for the award of appreciation rights only, for Mr. Linville, Mr. Miller and Ms. Imel vested over a 5 year period. At the end of fiscal year 2025, the unexercised phantom units were fully vested, and therefore exercisable.
- (2) The phantom plan awards, which provide for the award of appreciation rights only, for Mr. Linville and Mr. Miller vest over a 5 year period. At the end of fiscal year 2025, the unexercised phantom units were fully vested and therefore fully exercisable.
- (3) During fiscal year 2011, a total of 5,000 Class A phantom units and 5,000 Class B phantom units were awarded to certain management employees, with a strike price of \$118 and \$157, respectively. However, as a result of the 2011 Leucadia Transaction, management employees received a payment under the management phantom unit plan. As a result of that payment, the strike price for both the Class A phantom units and Class B phantom units was satisfied and is now \$0. As of December 27, 2025, there are 4,490 Class A phantom units and 4,490 Class A phantom units remained outstanding, all of which were fully vested.

Phantom Plan Awards Exercised

Name and Principal Position	Phantom Plan Awards	
	Number of exercised awards	Value realized on exercise (\$)
Stanley D. Linville Chief Executive Officer	460	\$ 583,691
Scott J. Miller Chief Financial Officer	—	\$ —
Danielle D. Imel Treasurer	—	\$ —

Retirement Plans

We do not maintain a qualified or non-qualified defined benefit pension plan covering any of our employees. Our named executive officers are eligible to participate in our tax-qualified Profit Sharing and Savings Plan on the same basis as other employees under the plan. The Company makes a matching contribution to this plan equal to 100% of each participant's own elective contributions up to 4% of his or her qualifying compensation. The Company also has the discretion to make annual profit sharing contributions that are allocated among all eligible participants in proportion to their respective compensation. The Company did not make a profit sharing contribution to the plan in fiscal year 2025. The Summary Compensation Table above reflects the contributions to our Profit Sharing and Savings Plan for those employees whose "All Other Compensation" reported in the Summary Compensation Table exceeds \$10,000.

Potential Payments Upon Termination

If the 2022 Employment Agreement is terminated upon death or permanent disability, Mr. Linville is entitled to:

- Salary to the date of the termination plus continued monthly payment of salary through the earlier of the first anniversary of the termination or the contract expiration date (Deemed Termination Date). If Mr. Linville were terminated upon death or disability in the fiscal year ended December 27, 2025, his payment would have been \$363,000;
- If termination is due to permanent disability, provision of certain fringe benefits through the Deemed Termination Date, but excluding vacation pay, personal and sick days, vehicle, telecommunications, and 401(k) contributions, (subject to any necessary consent of applicable insurers which, if consent is not obtained within 30 days after termination, then the cash value of the monthly premiums at the date of termination shall be paid to CEO in equal monthly payments), through the Deemed Termination Date;
- Annual Incentive through the employment year in which the Deemed Termination Date occurs pro-rated for the last employment year based upon the period through the Deemed Termination Date;
- Long-term Incentive that would have accrued if Mr. Linville had remained employed under the 2022 Employment Agreement through the Deemed Termination Date; and
- The 2022 Employment Agreement provides for a cumulative annual cap of \$544,500 for payments to Mr. Linville for Annual Incentive and Long-Term Incentive amounts.

If the 2022 Employment Agreement is terminated by USPB for cause or by Mr. Linville for other than good reason, he is entitled to:

- Salary earned to the date of the termination; and
- Payment of noncompetition compensation, unless Mr. Linville is terminated for being convicted of a felony or other serious crime or engaging in fraud, embezzlement or other illegal conduct to the detriment of USPB, in which case noncompetition compensation will not be paid.

If the 2022 Employment Agreement is terminated by USPB other than for cause, death or disability, or by Mr. Linville for good reason, he is entitled to:

- Salary and benefits through December 26, 2026;
- Payment of certain fringe benefits, but excluding vacation pay, personal and sick days, vehicle, telecommunications, and 401(k) contributions (subject to any necessary consent of applicable insurers which, if consent is not obtained within 30 days after termination, then the cash value of the monthly premiums at the date of termination shall be paid to CEO in equal monthly payments) through December 26, 2026;
- Annual Incentive for the year in which the termination occurs and each subsequent year through employment year 2026;
- Long-Term Incentive that would have accrued had Mr. Linville had remained employed through employment year 2026; and
- The payment of the noncompetition compensation.
- The 2022 Employment Agreement provides for a cumulative annual cap of \$544,500 for payments to Mr. Linville for Annual Incentive and Long-Term Incentive amounts.

Where the 2022 Employment Agreement provides for post-termination noncompetition compensation, Mr. Linville will receive a monthly payment equal to the annual salary that would be paid to Mr. Linville under the 2022 Employment Agreement or his annual salary at the time of termination, whichever is greater, divided by twelve (12), which will be paid at normal salary payment intervals in effect for management personnel on the date of termination. USPB will also pay Mr. Linville certain fringe benefits provided to other employees of USPB, but excluding paid vacations, personal and sick days, allowances, telecommunications equipment or services, expense reimbursement (except on prior written approval), or 401(k) contributions (subject to any necessary consent of applicable insurers which, if consent is not obtained within 30 days after termination, then the cash value of the monthly premiums at the date of termination will be paid to CEO in equal monthly payments during the noncompetition period). In return for such payment, Mr. Linville has agreed to a noncompetition provision that, for twelve (12) months following the termination of Mr. Linville's employment with USPB, prohibits him, within the United States of America, from participating through management or control or consult or employment of any beef packing or processing industry business or enterprise that competes with the business of USPB and its various affiliates. USPB may terminate the USPB noncompetition payments prior to the end of the twelve (12) month period if the Board of Directors determines the CEO violated the noncompetition restriction as outlined in the 2022 Employment Agreement.

Director Compensation Table

Each director receives cash compensation for meetings attended. Directors are compensated \$250 per diem for regular meetings, special meetings, compensation committee meetings and audit committee meetings. We do not award any other type of compensation to our directors.

The table below reflects compensation paid to each director during the fiscal year 2025.

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>
Mark R. Gardiner	2,000
Joe M. Morgan	2,000
Jerry L. Bohn	2,000
Wayne L. Carpenter	1,750
John M. Freund	1,750
Randall K. Spare	1,750
Jeff H. Sternberger	1,750

Pay Ratio Disclosure Rule

Pursuant to a mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Securities and Exchange Commission adopted a rule requiring annual disclosure of the ratio of the median employee's annual total compensation to the total annual compensation of the principal executive officer, Stanley D. Linville. The purpose of the disclosure is to provide a measure of the equitability of pay within the organization. The Company believes its compensation policy yields an equitable result.

• Median employee total annual compensation for 2025	\$ 186,806
• Stanley D. Linville total annual compensation for 2025	\$ 1,322,332
• Ratio of Stanley D. Linville to median employee compensation	7 : 1

In determining the median employee total annual compensation, a listing was prepared of all employees, other than the CEO, as of December 27, 2025. The median of the total annual compensation amounts for all the employees is the amount disclosed above.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is, or was, an officer or employee of USPB or its subsidiaries. None of our executive officers served as a director or was a member of the compensation committee of any entity where a member of our Board of Directors or Compensation Committee was an executive officer.

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

Security Ownership of Certain Beneficial Owners

The following table sets forth certain information as of February 28, 2026 regarding the only persons known by the Company to own directly or indirectly, more than 5% of its Class A and Class B units.

	Title of Class	Number of Units Beneficially Owned	Percent of Class
Black Diamond Cattle Co, Inc. ⁽¹⁾	Class A	95,000	12.9%
509 Country Lane Council Grove, Kansas 66846	Class B	95,000	12.6%
John Fairleigh ⁽²⁾	Class A	54,288	7.4%
Box 560 Scott City, KS 67871	Class B	54,288	7.2%
Stacy and Kelly Hoeme ⁽³⁾	Class A	41,125	5.6%
PO Box 186 Scott City, KS 67871	Class B	41,125	5.4%
Jerry Bohn ⁽⁴⁾	Class A	40,901	5.6%
5019 W. Wavecrest Circle Wichita, KS 67205	Class B	33,351	4.4%
Jeff Sternberger ⁽⁵⁾	Class A	39,631	5.4%
05013 13 Rd Ingalls, KS 67853	Class B	39,631	5.2%

(1) Includes 95,000 Class A and Class B units held by Black Diamond Cattle Co., Inc.

(2) Includes i) 54,288 Class A and 30,000 Class B units held by JBT Land & Cattle, LLC., of which Mr. Fairleigh is part owner and ii) 24,288 Class B units held by Fairleigh Corporation dba Fairleigh Feed Yard, of which Mr. Fairleigh is part owner.

(3) Includes i) 39,425 Class A and Class B units held by Crown H Cattle Co, Inc., of which Kelly and Stacy Hoeme are owners and ii) 1,500 Class A and Class B units owned by Stacy Hoeme and iii) 200 Class A and Class B units owned by Kelly Hoeme.

(4) Includes 40,901 Class A and 33,101 Class B units held by Pratt Premium Beef, LLC of which Mr. Bohn is a part owner and 250 Class B units held by the Jerald L. Bohn Revocable Trust.

(5) Includes 39,631 Class A and Class B units held by Midwest Feeders Inc. of which Mr. Sternberger is a manager.

Security Ownership of Management

The following table furnishes information, as of February 28, 2026, regarding ownership of USPB's Class A and Class B units is furnished with respect to (i) each director and director nominee, (ii) each executive officer named in the Summary Compensation Table on page 26, and (iii) all current directors and executive officers as a group.

<u>Name</u>	<u>Number</u>	<u>Percentage⁽¹⁾</u>	<u>Number</u>	<u>Percentage⁽¹⁾</u>
Jerry L. Bohn ⁽²⁾	40,901	5.6%	33,351	4.4%
Jeff H. Sternberger ⁽³⁾	39,631	5.4%	39,631	5.2%
Joe M. Morgan ⁽⁴⁾	33,128	4.5%	17,865	2.4%
Wayne L. Carpenter ⁽⁵⁾	6,000	0.8%	6,000	0.8%
Mark R. Gardiner ⁽⁶⁾	3,000	0.4%	3,000	0.4%
John M. Freund ⁽⁷⁾	2,225	0.3%	2,225	0.3%
Randall K. Spare ⁽⁸⁾	220	0.0%	370	0.0%
Stanley D. Linville	—	0.0%	—	0.0%
Scott J. Miller	—	0.0%	—	0.0%
Danielle D. Imel	—	0.0%	—	0.0%
Directors and Executive Officers as a group (10 persons) ⁽⁹⁾	<u>125,105</u>	<u>17.0%</u>	<u>102,442</u>	<u>13.6%</u>

(1) Represents the percentage of Class A units and the percentage of Class B units beneficially held or managed by the named party.

Includes 40,901 Class A and 33,101 Class B units held by Pratt Premium Beef, LLC, of which Mr. Bohn is a part owner, and 250

(2) Class B units held by the

Jerald L. Bohn Revocable Trust.

Includes 39,631 Class A and Class B units held by Midwest Feeders Inc., of which Mr. Sternberger is an owner and the General

(3) Manager.

Includes 17,865 Class A and Class B units held by Mr. Morgan and 15,263 Class A units held by Poky Feeders, of which Mr.

(4) Morgan is the manager.

(5) Includes 6,000 Class A and Class B units held by the Carpenter Cattle Co. Inc., of which Mr. Carpenter is the owner.

(6) Includes 3,000 Class A and Class B units held by the Mark Gardiner Revocable Trust

(7) Includes 2,225 Class A and Class B units held by the John Freund, over which Mr. Freund has sole voting power.

(8) Includes 220 Class A and 370 Class B units held by the Randall Spare, over which Mr. Spare has sole voting power.

(9) Reflects unit ownership by all seven directors and the named executive officers of USPB.

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

Related Party Transactions

USPB's Board of Directors has not adopted a formal policy or procedure that must be followed prior to any transaction, arrangement or relationship with a related person, as defined by SEC regulations (e.g., directors, executive officers, any 5 percent shareholder, or immediate family member of any of the foregoing).

USPB has adopted a corporate Code of Conduct that is enforced throughout all levels of management. It deals with conflicts of interest, among other things. The Code of Conduct prohibits any conduct or activities that conflict with the interests of the Company, or that might influence or appear to influence our judgment or actions in performing our duties. The Code of Conduct also requires directors and all levels of management to make full written disclosure of any activity that may present a conflict of interest and receive prior written approval from the Company. No waivers have been granted.

Our directors and all levels of management are required each year to respond to a questionnaire regarding their independence. The questionnaire also requires each director and all levels of management to identify if they or an immediate family member had been indebted to, or had been a participant in any material transactions with, the Company or any of its affiliates. The questionnaire requires disclosure of the name of related parties if such parties have an ownership or management control relationship with the Company sufficient to exert significant influence over the Company's management or operating policies which could cause significantly different operating results or financial position of the Company.

The standards applied pursuant to the above-described procedures are to provide comfort that any conflict of interest or related party transaction is on an arms-length basis which is fair to the Company.

Directors who are Unitholders

USPB is not a listed company and as a result has chosen the NASDAQ independence listing standards to determine whether our directors are independent. The NASDAQ independence definitions provide that directors cannot be independent if they do not meet certain objective standards.

All of USPB's directors hold units of the LLC directly or indirectly and are also agricultural producers. By virtue of their unitholder status and ownership of Class A units, each of these individuals (or the entities they represent) is obligated to deliver cattle to USPB. The amount and terms of the payments received by these individuals (or the entities they represent) for the delivery of cattle are made on exactly the same basis as those received by other unitholders and associates of USPB for the delivery of their cattle. Based on NASDAQ's standards and as a result of their equal treatment with respect to the delivery of cattle, the following current directors were determined to be independent: Messrs. Bohn, Carpenter, Freund, Gardiner, Spare, Morgan, and Sternberger.

Certain Arrangements with Holders of NBP's Membership Interests

All of the holders of NBP's membership interests have entered into a limited liability company agreement that provides for, among other things, election of its board of managers, the powers of its board of managers and its officers, approval rights for certain of its equity holders, restrictions and rights related to the transfer, sale or purchase of its membership interests, and preemptive and repurchase rights.

Transactions with NBP

On June 10, 2019, USPB entered into the First Amended and Restated Cattle Purchase and Sale Agreement with NBP (Amended Agreement). Per the terms and conditions of the Amended Agreement, NBP is required to purchase from USPB Class A unitholders, and USPB is required to cause to be sold and delivered from its Class A unitholders to NBP, a base amount of 735,385 (subject to adjustment) head of cattle per year. In fiscal years 2025, 2024, and 2023, USPB elected to increase the number of cattle that its Class A unitholders could deliver during USPB's delivery year by up to 10%. During fiscal years 2025, 2024, and 2023, USPB's Class A unitholders and associates average deliveries, under the Amended Agreement were approximately 26.8% of NBP's total cattle requirements. The purchase price for the cattle is determined by pricing grids, which, at all times, are required to be no less favorable than any other pricing grid being utilized by NBP and the pricing grid shall be competitive with NBP's major competitors for the purchase of cattle. The terms and conditions of the Amended Agreement are substantially the same as the previous agreement except in the following material ways:

- Under the Amended Agreement, if NBP acquires or develops new processing (slaughter) facilities, then USPB has a first right to provide 25% of the cattle to the new NBP facility.
- The purchase price of cattle delivered by USPB Class A unitholders to the Tama, Iowa processing facility shall be no less favorable than any other pricing grid that NBP offers to any other seller of cattle delivering to the Tama, Iowa processing facility or to non-grid cattle with comparable performance.
- On each anniversary of the Amended Agreement, the term of the Amended Agreement shall be extended be five years from the date of such anniversary, unless either party elects to not extend the term. The Amended Agreement currently extends through June 10, 2026.

NBP also purchased additional cattle from certain USPB members and associates outside of the Amended Agreement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Grant Thornton LLP an independent registered public accounting firm served as our auditor for the fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023 (thousands of dollars).

	<u>December 27, 2025</u>	<u>December 28, 2024</u>	<u>December 30, 2023</u>
Audit Fees	\$ 152	\$ 145	\$ 142
Audit Related Fees	—	—	—
Tax Fees	—	—	—
Total	<u>\$ 152</u>	<u>\$ 145</u>	<u>\$ 142</u>

Audit Fees

Audit fees relate to the audits of our financial statements on Form 10-K and the reviews of quarterly reports on Form 10-Q.

Audit-Related Fees

Audit-related fees relate to consultations on accounting related matters. We did not pay any other type of fee and did not receive any other services.

Tax Fees

Tax fees relate to tax compliance, tax advice and tax planning services.

Our Audit Committee appoints our independent auditors. The Audit Committee is solely and directly responsible for the approval of the appointment, re-appointment, compensation and oversight of our independent auditors. The Audit Committee approves in advance all work to be performed by the independent auditors.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Financial Statements and Financial Statement Schedules

- (1) The financial statements filed as part of this report at Item 8 are listed in the Index to the Financial Statements on page F-1 contained herein.

(b) The following documents are filed or incorporated by reference as exhibits to this report:

- 2.1 [Agreement and Plan of Merger between U.S. Premium Beef, Ltd. and U.S. Premium Beef, Inc.](#) (incorporated herein by reference to Appendix A to voting materials-prospectus contained in U.S. Premium Beef, Inc. Registration Statement on Form S-4 (File No. 333-115164) filed with the SEC on August 5, 2004).
- 2.2 [Plan of Conversion adopted by U.S. Premium Beef, Inc.](#) (incorporated herein by reference to Appendix B to the voting materials – prospectus contained in U.S. Premium Beef, Inc. Registration Statement on Form S-4 (File No. 333-115164) filed with the SEC on August 5, 2004).
- 3.1 [Certificate of Formation of U.S. Premium Beef, LLC](#) (incorporated herein by reference to Appendix C to the voting materials – prospectus contained in U.S. Premium Beef, Inc. Registration Statement on Form S-4 (File No. 333-115164) filed with the SEC on August 5, 2004).
- 3.2(a) [Limited Liability Agreement of U.S. Premium Beef, LLC](#) (incorporated herein by reference to Appendix D to the voting materials – prospectus contained in U.S. Premium Beef, Inc. Registration Statement on Form S-4 (File No. 333-115164) filed with the SEC on August 5, 2004).
- 3.2(b) [Amended and Restated Limited Liability Company Agreement of U.S. Premium Beef, LLC, dated as of March 2, 2011](#) (incorporated herein by reference to Exhibit 3.1 to Form 8-K (File No. 333-115164) filed with the SEC on March 7, 2011).
- 3.2(c) [Amended and Restated Limited Liability Company Agreement of U.S. Premium Beef, LLC, dated as of January 17, 2012](#) (incorporated herein by reference to Exhibit 3 to Form 8-K (File No. 333-115164) filed with the SEC on January 18, 2012).
- 3.3 [Amended and Restated Limited Liability Company Agreement of U.S. Premium Beef, LLC, dated as of November 10, 2023](#) (incorporated herein by reference to Exhibit 3.3 to Form 10-Q (File No. 333-115164) filed with the SEC on November 13, 2023).
- 3.4 [Limited Liability Company Agreement of National Beef Packing Company, LLC, dated as of February 28, 2019](#) (incorporated herein by reference to Exhibit 3.3 to Form 10-K (File No. 333-115164) filed with the SEC on March 13, 2019).
- 10.1 [Amendment to the Amended and Restated Revolving Term Promissory Note Revolving Term Loan Supplement between U.S. Premium Beef, LLC and CoBank, ACB, executed July 10, 2023](#) (incorporated herein by reference to Exhibit 10.1 to Form 8-K (File No. 333-115164) filed with the SEC on July 10, 2023).
- 10.2 [Cattle Purchase and Sale Agreement dated December 30, 2011 between the Company and National Beef Packing Company, LLC](#) (incorporated herein by reference to Exhibit 10.2 to Company's Current Report on Form 8-K (File No. 333-115164) filed with the SEC on December 30, 2011).
- 10.2(a) [First Amended and Restated Cattle Purchase and Sale Agreement Between the Company and National Beef Packing Company, LLC dated June 10, 2019](#) (incorporated herein by reference to Exhibit 10-2a to Form 10-K (File No. 333-115164) filed with the SEC on March 6, 2020).
- 10.3(a) [Form of Uniform Cattle Delivery and Marketing Agreement – Even Slots](#) (incorporated by reference to Exhibit 10.2(b) to Form 10-K (File No. 333-115164) filed with the Commission on November 14, 2007).
- 10.3(b) [Form of Uniform Cattle Delivery and Marketing Agreement – Odd Slots](#) (incorporated by reference to Exhibit 10.3(b) to Form 10-K (File No. 333-115164) filed with the Commission on November 14, 2007).
- 10.4(a)* [U.S. Premium Beef, LLC Phantom Unit Bonus Compensation Policy adopted September 28, 2010](#) (incorporated herein by reference to Exhibit 10.01 to Form 8-K (File No. 333-115164) filed with the SEC on October 4, 2010).
- 10.4(b)* [Amended and Restated USPB Phantom Unit Bonus Compensation Policy dated January 14, 2020](#) (incorporated herein by reference to Exhibit 10-4b to Form 10-K (File No. 333-115164) filed with the SEC on March 6, 2020).
- 10.5(a) [Master Loan Agreement between U.S. Premium Beef, LLC and CoBank, ACB, executed July 28, 2011](#) (incorporated herein by reference to Exhibit 10.1 to Form 8-K (File No. 333-115164) filed with the SEC on August 1, 2011).

- 10.5(b) [Revolving Term Loan Supplement between U.S. Premium Beef, LLC and CoBank, ACB, executed July 28, 2011](#) (incorporated herein by reference to Exhibit 10.2 to Form 8-K (File No. 333-115164) filed with the SEC on August 1, 2011).
- 10.5(c) [Pledge Agreement between U.S. Premium Beef, LLC and CoBank, ACB, executed July 28, 2011](#) (incorporated herein by reference to Exhibit 10.1 to Form 8-K (File No. 333-115164) filed with the SEC on August 1, 2011).
- 10.5(d) [Security Agreement between U.S. Premium Beef, LLC and CoBank, ACB, executed July 28, 2011](#) (incorporated herein by reference to Exhibit 10.4 to Form 8-K (File No. 333-115164) filed with the SEC on August 1, 2011).
- 10.5(e) [Pledge Agreement dated December 30, 2011 between the Company and National Beef Packing Company, LLC, with attached Consent and First Amendment to Pledge Agreement and Security Agreement dated December 30, 2011 between the Company and CoBank, ACB](#) (incorporated herein by reference to Exhibit 10.3 to Company's Current Report on Form 8-K (File No. 333-115164) filed with the SEC on December 30, 2011).
- 10.5(f) [Revolving Term Loan Supplement between U.S. Premium Beef, LLC and CoBank, ACB, executed May 29, 2014](#) (incorporated herein by reference to Exhibit 10.1 to Form 8-K (File No. 333-115164) filed with the SEC on June 3, 2014).
- 10.5(g) [Amended and Restated Revolving Term Loan Supplement between U.S. Premium Beef, LLC and CoBank, ACB, executed June 13, 2017 incorporated herein by reference to Exhibit 10.1 to Form 8-K](#) (File No. 333-115164) filed with the SEC on June 15, 2017).
- 10.5(h) [Revolving Term Loan Supplement between U.S. Premium Beef, LLC and CoBank, ACB, executed August 16, 2019 incorporated herein by reference to Exhibit 10.1 to Form 8-K](#) (File No. 333-115164) filed with the SEC on August 20, 2019).
- 10.5(i) [Credit Agreement between U.S. Premium Beef, LLC and CoBank, ACB, executed July 13, 2020](#) (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 333-115164) filed with the SEC on July 16, 2020).
- 10.5(j) [Amended and Restated Revolving Term Promissory Note between U.S. Premium Beef, LLC and CoBank, ACB, dated June 24, 2025](#) (incorporated by reference to Exhibit 10.1 to Form 8-K (File No. 333-115164) filed with the SEC on July 16, 2025).
- 10.5(k) [Affirmation of Pledge Agreement between U.S. Premium Beef, LLC and CoBank, ACB executed July 13, 2020](#) (incorporated by reference to Exhibit 10.3 to Form 8-K (File No. 333-115164) filed with the SEC on July 16, 2020).
- 10.6(a)* [CEO Employment Agreement between U.S. Premium Beef, LLC and Stanley D. Linville, executed on November 23, 2012 and effective as of January 28, 2013 \(incorporated herein by reference to Exhibit 10.1 to Company's Current Report on Form 8-K](#) (File No. 333-115164) filed with the SEC on December 3, 2012).
- 10.6(b)* [CEO Employment Agreement between U.S. Premium Beef, LLC and Stanley D. Linville, executed on December 21, 2015 and effective as of January 1, 2016 \(incorporated herein by reference to Exhibit 10.1 to Company's Current Report on Form 8-K](#) (File No. 333-115164) filed with the SEC on December 23, 2015).
- 10.6(c)* [Amended CEO Employment Agreement between U.S. Premium Beef, LLC and Stanley D. Linville, executed on December 14, 2018 and effective as of December 30, 2018](#) (incorporated herein by reference to Exhibit 10.1 to Company's Current Report on Form 8-K (File No. 333-115164) filed with the SEC on December 14, 2018).
- 10.6(d)* [Amended CEO Employment Agreement between U.S. Premium Beef, LLC and Stanley D. Linville, executed on December 22, 2021 and effective as of December 26, 2021](#) (incorporated herein by reference to Exhibit 10.1 to Company's Current Report on Form 8-K (File No. 333-115164) filed with the SEC on December 22, 2021).
- 10.7 [Proxy Statement regarding proposed transaction sent by U.S. Premium Beef, LLC to its members on or about December 5, 2011](#) (incorporated herein by reference to Exhibit 20.1 to Company's Current Report on Form 8-K (File No. 333-111407) filed with the SEC on December 6, 2011).
- 19.1 [Insider Trading Policy](#) (incorporated herein by reference to Exhibit 19.1 to Company's Annual Report on Form 10-K (File No. 333-115164) filed with the SEC on March 13, 2025).
- 31.1 [Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#) (filed herewith).
- 31.2 [Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#) (filed herewith).
- 32.1 [Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#) (filed herewith).
- 32.2 [Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#) (filed herewith).
- 101.INS XBRL Instance Document
- 101.SCH XBRL Taxonomy Extension Schema Document
- 101.CAL XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

* Management contract or compensatory plan or arrangement.

SIGNATURES

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.

U.S. Premium Beef, LLC

/s/ Stanley D. Linville
Name: Stanley D. Linville
Chief Executive Officer
(Principal Executive Officer)

Date: March 10, 2026

* * * *

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 capacity and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Stanley D. Linville</u> Stanley D. Linville	Chief Executive Officer (Principal Executive Officer)	March 10, 2026
<u>/s/ Scott J. Miller</u> Scott J. Miller	Chief Financial Officer (Principal Executive Officer)	March 10, 2026
<u>/s/ Mark R. Gardiner</u> Mark R. Gardiner	Chairman of the Board	March 10, 2026
<u>/s/ Joe M. Morgan</u> Joe M. Morgan	Vice Chairman of the Board	March 10, 2026
<u>/s/ Jerry L. Bohn</u> Jerry L. Bohn	Secretary	March 10, 2026
<u>/s/ Wayne L. Carpenter</u> Wayne L. Carpenter	Director	March 10, 2026
<u>/s/ John M. Freund</u> John M. Freund	Director	March 10, 2026
<u>/s/ Randall K. Spare</u> Randall K. Spare	Director	March 10, 2026
<u>/s/ Jeff H. Sternberger</u> Jeff H. Sternberger	Director	March 10, 2026

**U.S. PREMIUM BEEF, LLC
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Members
U.S. Premium Beef, LLC

Opinion on the financial statements

We have audited the accompanying balance sheets of U.S. Premium Beef, LLC (a Delaware Limited Liability company) (the “Company”) as of December 27, 2025 and December 28, 2024, the related statements of operations, members’ capital, and cash flows for each of the three years in the period ended December 27, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 27, 2025 and December 28, 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 27, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2018.

Kansas City, Missouri
March 10, 2026.

U.S. PREMIUM BEEF, LLC
Balance Sheets
(thousands of dollars, except unit information)

	<u>December 27, 2025</u>	<u>December 28, 2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,052	\$ 39,008
Certificate of Deposit	—	30,224
Treasury Securities	24,735	—
Accrued interest receivable	—	185
Due from affiliates	619	182
Other current assets	687	901
Total current assets	<u>40,093</u>	<u>70,500</u>
Property, plant, and equipment, at cost	274	274
Less accumulated depreciation	<u>257</u>	<u>244</u>
Net property, plant, and equipment	17	30
Right of use assets, net	183	228
Investment in National Beef Packing Company, LLC	179,759	169,381
Other assets	253	1
Total assets	<u>\$ 220,305</u>	<u>\$ 240,140</u>
Liabilities and Members' Capital		
Current liabilities:		
Accounts payable - trade	\$ 24	\$ 28
Due to affiliates	269	74
Accrued compensation and benefits	3,017	2,413
Lease obligations	73	61
Other accrued expenses and liabilities	155	293
Distributions payable	325	153
Total current liabilities	<u>3,863</u>	<u>3,022</u>
Long-term liabilities:		
Lease obligations	110	167
Other liabilities	6,239	7,307
Total long-term liabilities	<u>6,349</u>	<u>7,474</u>
Total liabilities	10,212	10,496
Commitments and contingencies	—	—
Members' capital		
Members' contributed capital, 735,385 Class A units and 755,385 Class B units authorized, issued and outstanding	<u>210,093</u>	<u>229,644</u>
Total members' capital	<u>210,093</u>	<u>229,644</u>
Total liabilities and members' capital	<u>\$ 220,305</u>	<u>\$ 240,140</u>

See accompanying notes to financial statements.

U.S. PREMIUM BEEF, LLC
Statements of Operations
(thousands of dollars, except unit and per unit data)

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Net sales	\$ —	\$ —	\$ —
Costs and expenses:			
Cost of sales	—	—	—
Selling, general, and administrative expenses	3,399	3,268	3,525
Depreciation and amortization	14	13	20
Total costs and expenses	<u>3,413</u>	<u>3,281</u>	<u>3,545</u>
Operating loss	<u>(3,413)</u>	<u>(3,281)</u>	<u>(3,545)</u>
Other income:			
Interest income	2,185	3,001	3,238
Dividend income	7	—	—
Interest expense	—	—	(1)
Equity in net income (loss) of National Beef Packing Company, LLC	(19,768)	6,784	41,171
Other, net	1,167	1,010	713
Total other income (loss)	<u>(16,409)</u>	<u>10,795</u>	<u>45,121</u>
Net income (loss)	<u>\$ (19,822)</u>	<u>\$ 7,514</u>	<u>\$ 41,576</u>
Income (loss) per unit:			
Basic and diluted			
Class A units	\$ (2.70)	\$ 1.02	\$ 5.65
Class B units	\$ (23.62)	\$ 8.95	\$ 49.54
Outstanding weighted-average Class A and Class B units:			
Basic and diluted			
Class A units	735,385	735,385	735,385
Class B units	755,385	755,385	755,385

See accompanying notes to financial statements.

U.S. PREMIUM BEEF, LLC
Statements of Members' Capital
(thousands of dollars)

	Members' capital
Balance at December 31, 2022	\$ 263,941
Net income for the year ended December 30, 2023	41,576
Member distributions	(73,384)
Balance at December 30, 2023	\$ 232,133
Net income for the year ended December 28, 2024	7,514
Member distributions	(10,003)
Balance at December 28, 2024	\$ 229,644
Net loss for the year ended December 28, 2025	(19,822)
Advanced distribution	271
Balance at December 27, 2025	\$ 210,093

See accompanying notes to financial statements.

U.S. PREMIUM BEEF, LLC
Statements of Cash Flows
(thousands of dollars)

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Cash flows from operating activities:			
Net income (loss)	\$ (19,822)	\$ 7,514	\$ 41,576
Adjustments to reconcile net income/loss to net cash provided by operating activities:			
Depreciation and amortization	14	13	20
Equity in net income (loss) of National Beef Packing Company, LLC	19,768	(6,784)	(41,171)
Distributions from National Beef Packing Company, LLC	–	–	58,130
Changes in assets and liabilities:			
Accounts receivable	–	–	9
Accrued interest receivable	185	(148)	(37)
Due from affiliates	(437)	101	638
Other assets	214	773	(1,671)
Accounts payable	(4)	–	(8)
Due to affiliates	195	26	(1,109)
Accrued compensation and benefits	(464)	(799)	(1,655)
Other accrued expenses and liabilities	(138)	58	(580)
Net cash (used in) provided by operating activities	<u>(489)</u>	<u>754</u>	<u>54,142</u>
Cash flows from investing activities:			
Capital expenditures	–	–	(9)
Additional investment in Equity Method Investment	(30,146)	–	–
Investment in certificates of deposit	(23,794)	(70,224)	(40,000)
Redemption of certificates of deposit	54,018	60,000	20,000
Investment in treasury securities	(39,016)	–	–
Redemption treasury securities	14,281	–	–
Net cash used in investing activities	<u>(24,657)</u>	<u>(10,224)</u>	<u>(20,009)</u>
Cash flows from financing activities:			
Member distributions	190	(10,003)	(73,384)
Net cash provided by (used in) financing activities	<u>190</u>	<u>(10,003)</u>	<u>(73,384)</u>
Net decrease in cash	(24,956)	(19,473)	(39,251)
Cash and cash equivalents at beginning of period	39,008	58,481	97,732
Cash and cash equivalents at end of period	<u>\$ 14,052</u>	<u>\$ 39,008</u>	<u>\$ 58,481</u>
Supplemental cash disclosures:			
Cash paid during the period for interest	\$ –	\$ –	\$ –
Cash paid during the period for taxes	\$ –	\$ 65	\$ 409
Supplemental noncash disclosures of operating activities:			
Right of use assets and lease obligations	\$ –	\$ –	\$ 316

See accompanying notes to financial statements.

U.S. PREMIUM BEEF, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1. Description of Business

U.S. Premium Beef, LLC (USPB or the Company) was formed as a closed marketing cooperative on July 1, 1996. Its mission is to increase the quality of beef and long-term profitability of cattle producers by creating a fully integrated producer-owned beef processing system that is a global supplier of high quality, value-added beef products responsive to consumer desires. USPB operates an integrated cattle processing and beef marketing enterprise where consumer and processor demands and requirements are implemented through changes in genetics, feeding, and management. USPB's unitholders benefit from its supplier alliance with National Beef Packing Company, LLC (NBP) through (i) premiums received in excess of cash market prices for higher quality cattle, (ii) allocations of profits and potential distributions, (iii) potential unit price appreciation, and (iv) information that permits unitholders to make informed production decisions.

On December 5, 2011, USPB sold the majority of its membership interests in NBP to Leucadia National Corporation ("Leucadia Transaction"). Following the sale, USPB owned 15.0729% of NBP's membership interests.

On November 29, 2019, Jefferies Financial Group, Inc. ("Jefferies", formerly Leucadia National Corporation) sold its remaining ownership interest in NBP to a combination of NBM US Holdings, Inc., a Delaware corporation owned by Marfrig Global Foods S.A.; NBPCo Holdings, LLC; and TMK Holdings, LLC. USPB elected to not participate in the acquisition.

On August 19, 2025, USPB received an offer (the "Offer") from NBP, pursuant to the terms of that certain Fourth Amended and Restated Limited Liability Company Agreement of NBP, dated as of February 28, 2019 (the "NBP Operating Agreement"), to purchase a pro rata share of units of membership interest in NBP at a price of \$231,106.21 per unit. On September 25, 2025, the Company purchased 130,4415 units of membership interest in NBP (the "Purchased Units") pursuant to the Offer for a purchase price of approximately \$30.1 million.

The purchase price was funded by cash on hand. Following the purchase of the Purchased Units, the Company's ownership interest in NBP remained at 15.0729%.

Ownership Structure

As USPB is structured as a Limited Liability Company, its members are not personally liable for liabilities of USPB. USPB's members are taxed on their proportionate share of USPB's taxable income.

Class A Units. There are 735,385 Class A units outstanding. Class A unitholders are allocated 10% of the Company's profits and losses. Holders of USPB Class A units, committed under Uniform Cattle Delivery and Marketing Agreements, have the right and obligation to deliver one head of cattle to USPB annually for each unit held.

Class B Units. There are 755,385 Class B units outstanding. Class B unitholders are allocated 90% of the Company's profits and losses. Holders of USPB Class B units have no cattle delivery commitment.

NOTE 2. Basis of Presentation and Accounting Policies***Basis of Presentation***

USPB's investment in NBP is accounted for using the equity method of accounting as the Company has the ability to exercise significant influence but does not have financial or operational control.

In November 2023, the FASB issued ASU 2023-07, that improves disclosures about a public entity's reportable segments and addresses requests from investors and other allocators of capital for additional, more detailed information about a reportable segment's expenses. The standard requires public entities to disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker. Additionally, public entities with a single reportable segment must provide all the disclosures required by ASU 2023-07, as well as all existing segment disclosures in accordance with Accounting Standards Codification 280. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 (year ending December 28, 2024 for the Company and effective for interim periods within fiscal years beginning after December 15, 2024). The Company adopted ASU 2023-07 for the year ended December 28, 2024 (see segment reporting section of this note) and applied it retrospectively.

In November 2024, the FASB issued authoritative guidance in Accounting Standards update 2024-03 - *Disaggregation of Income Statement Expenses* to disclose certain additional expense information including, among other items, purchases of inventory, employee compensation, depreciation and intangible asset amortization included within each Consolidated Statement of Income expense caption. The guidance is effective for annual reporting periods beginning after December 15, 2026, our fiscal 2027, and interim reporting periods within fiscal years beginning after December 15, 2027, our fiscal 2028. Amendments can be applied using either the prospective or the retrospective approach. We are currently evaluating the impact this guidance will have on disclosures in our consolidated financial statements.

Accounting Pronouncements

ASU 2023-09 (Income Taxes): The new income tax one was not material to the entity given the tax status of the Company and no income taxes being paid by the Company.

Fiscal Year

The Company's fiscal year ends on the last Saturday in December. The Company files annual reports for each 52 week or 53 week period ended on the last Saturday in December. Fiscal year 2025, 2024 and 2023 were 52 week years.

Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, using management's best estimates and judgments where appropriate. These estimates and judgments affect the reported amounts of assets and liabilities at the date of the financial statements. The estimates and judgments will also affect the reported amounts for certain revenues and expenses during the reporting period. Actual results could differ materially from these estimates and judgments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of December 27, 2025 and December 28, 2024, the Company's balance sheet reflected Cash and cash equivalents of \$14.1 million and \$39.0 million, respectively. The cash is invested in CoBank's overnight investment account. Investments are not deposits and are not insured by the Federal Deposit Insurance Corporation or the Farm Credit System Insurance Corporation.

Investments in Certificates of Deposit

Certificates of deposit held for investment with original maturities greater than three months and remaining maturities less than one year are classified as current assets. Certificates of deposit with remaining maturities greater than one year are classified as long-term assets. As of December 27, 2025, all certificates of deposits had matured.

Investment in Debt Securities

Investments in debt securities consist of held-to-maturity investment securities in U.S. treasury securities held at amortized cost. Realized gains and losses are recorded using the specific identification method in gain (loss) investments, net on the statements of operations. We did not record any material gains or losses on these securities during the years ended December 27, 2025, December 27, 2024, or December 30, 2023.

If the treasury securities were measured at fair value, they would be classified as Level 1 in the fair value hierarchy, based on quoted prices in active markets for similar securities. We do not intend to sell these investment securities prior to maturity.

Treasury Securities

Treasury securities held for investment with original maturities greater than three months and remaining maturities less than one year are classified as current assets.

The following table sets forth our held-to-maturity treasury securities carrying value and fair value for the securities purchased in fiscal year 2025. USPB didn't purchase any treasury securities in fiscal year 2024.

	Fair Value as of December 27, 2025	
	(thousands of dollars)	
	Carrying Value	Fair Value
United States Treasury	\$ 24,735	\$ 24,735

Other Current Assets

Included in Other Current Assets are receivables from several states, with the largest amounts being due from New Jersey. The taxes are withheld by NBP from its members distributions.

Investment in National Beef Packing Company, LLC

USPB's 15.0729% investment in NBP is accounted for using the equity method of accounting as the Company has the ability to exercise significant influence but does not have financial or operational control.

On August 19, 2025, USPB received an offer (the "Offer") from NBP, pursuant to the terms of the NBP Operating Agreement, to purchase a pro rata share of units of membership interest in NBP at a price of \$231,106.21 per unit. On September 25, 2025, the Company purchased 130.4415 units of membership interest in NBP (the "Purchased Units") pursuant to the Offer for a purchase price of approximately \$30.1 million. This was a strategic investment to maintain the 15.0729% ownership interest. USPB is invested for the long-term and the additional investment is representative of that commitment. The additional investment was reviewed and approved by the Board.

The purchase price was funded by cash on hand. Following the purchase of the Purchased Units, the Company's ownership interest in NBP remained at 15.0729%.

The table below summarizes the changes to USPB's investment in NBP.

	<u>December 27, 2025</u>	<u>December 28, 2024</u>
	(thousands of dollars)	
Beginning investment balance	\$ 169,381	\$ 162,597
Equity in net income / (loss)	(19,768)	6,784
Capital contribution	30,146	—
Distributions	—	—
Ending investment balance	<u>\$ 179,759</u>	<u>\$ 169,381</u>

The difference between USPB's percentage ownership share of NBP earnings and the recorded amount of Equity in income of National Beef Packing Company, LLC is attributable to the amortization of a basis difference related to the purchase accounting for NBP's acquisition of Ohio Beef in 2019.

For fiscal year 2025, USPB conducted an evaluation to determine if its investment in NBP was impaired as of the end of the fiscal year in accordance with Auditing Standards Codification (ASC) 323 *Investments Equity Method and Joint Ventures*. The evaluation incorporated a market-based approach which resulted in a fair value of the investment that exceeded the carrying value. As a result of the analysis, USPB concluded that the carrying value of its investment in NBP was not impaired as of December 27, 2025.

For fiscal year 2024, USPB conducted an evaluation to determine if its investment in NBP was impaired as of the end of the fiscal year in accordance with Auditing Standards Codification (ASC) 323 *Investments Equity Method and Joint Ventures*. The evaluation included both quantitative and qualitative factors. The quantitative approach that was used in fiscal year 2024 computed the fair value of the investment using a market based approach and resulted in a fair value that exceeded the carrying value. The qualitative analysis in fiscal year 2024 gave consideration the length of USPB's investment in NBP and the understanding that the carrying value of the investment fluctuates with the cattle cycle, but USPB remains committed to the investment. There were no qualitative items in fiscal year 2024 that indicated that the quantitative determination was not correct. As a result of the analysis, USPB concluded that the carrying value of its investment in NBP was not impaired as of December 28, 2024.

Beginning on January 1, 2023, and annually thereafter, NBP's minority members, including USPB, are eligible to deliver a put notice to NBM US Holdings, Inc., a Delaware corporation owned by Marfrig Global Foods S.A. (NBM). The put period begins on January 1 and ends on January 31 of each year. During the put period, a NBP minority member can put to NBM a maximum of one third of the aggregate units owned by such minority member as of February 28, 2019 and a minimum of 20% of the aggregate units owned by the applicable minority member as of February 28, 2019. USPB's Board of Directors gave consideration to USPB's put option in November 2024 and chose to not exercise the put option for the January 2025 put period.

Property, Plant, and Equipment

Property, plant, and equipment are recorded at cost. Property, plant, and equipment are depreciated principally on a straight-line basis over the estimated useful life (based upon original acquisition date) of the individual asset by major asset class as follows:

Machinery and equipment	2 to 15 years
Furniture and fixtures	3 to 5 years
Trailers and automotive equipment	2 to 5 years

Normal repairs and maintenance costs are charged to Selling, general and administrative expenses, as incurred.

A summary of cost and accumulated depreciation for property, plant, and equipment as of December 27, 2025 and December 28, 2024 follows (thousands of dollars):

	December 27, 2025	December 28, 2024
Machinery and equipment	\$ 30	\$ 30
Furniture and fixtures	148	148
Trailers and automotive equipment	96	96
Total property, plant, and equipment, at cost	<u>274</u>	<u>274</u>
Accumulated depreciation	257	244
Property, plant, and equipment, net	<u>\$ 17</u>	<u>\$ 30</u>

Depreciation expense was less than \$0.1 million for fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023.

Distributions Payable

USPB utilizes a controlled disbursement account to fund cash distribution checks presented for payment by the holder. Checks that have been issued but have not cleared are reflected on the balance sheet as a reduction in cash. Amounts for checks that have not yet been issued are included in Distributions payable and the change in the related balances are reflected in financing activities on the statement of cash flows. Distributions payable were \$0.3 million and \$0.2 million, as of December 27, 2025 and December 28, 2024.

Income Taxes

Effective August 29, 2004, the Company converted to an LLC, and under this structure, taxes are not assessed at the Company level as the results of operations are included in the taxable income of the individual members.

Although income taxes are assessed to the individual members, USPB is required to withhold state income taxes from the cash distributions it makes to its members. As of December 27, 2025 and December 28, 2024, Other accrued expenses and liabilities on the Company's balance sheet reflected state taxes payable of \$0.0 million and \$0.1 million, respectively.

Selling, General, and Administrative

Selling expenses consist primarily of salaries, bonuses, phantom unit option expense, trade promotions, advertising, commissions and other marketing costs. General and administrative costs consist primarily of general management, insurance and professional expenses.

Noncompetition Payments

The current CEO's employment agreement provides for him to receive noncompetition payments for a twelve-month period following his termination of employment with USPB.

As of December 27, 2025 and December 28, 2024, the Company had accrued \$0.4 million and \$0.3 million, respectively, for the noncompetition agreements. The accrued amounts are included in Accrued compensation and benefits on the balance sheet. The CEO's employment agreement expires on December 26, 2026.

Segment Reporting

USPB is not organized by multiple operating segments for the purpose of making operating decisions or assessing performance. USPB's equity method investment is the operating segment of USPB. Accordingly, USPB has one reportable segment. The remaining activity of USPB relates to the corporate function of the Company. The total amount of investment in equity method investees is disclosed in the Company's balance sheets above.

USPB's CEO is the Chief Operating Decision Maker (CODM) for USPB. As the CODM, he is responsible for managing all of USPB's operations. The Company's primary business operation is managing its members' investment in NBP. An operating segment is defined as a component of an enterprise for which separate financial information is evaluated regularly by the CODM in deciding how to allocate resources and assess performance. The segment participates in activities and derives income.

The CODM assesses performance of the segment based on equity in earnings of NBP for purposes of allocating resources and evaluating financial performance as presented on the statement of operations. The CODM uses this measure in the annual budgeting and monthly forecasting process and to evaluate income generated from segment assets to distribute cash to unitholders. The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

Significant segment expenses regularly provided to the CODM are the financial statement line items of NBP, as disclosed in the tables below.

The operating results and assets of the Company's reportable segment were as follows (in thousands):

	52-weeks ended December 27, 2025			
	Equity Method Investment in National Beef Packing Company, LLC and Subsidiaries (1)	Elimination of Unconsolidated Affiliate	Corporate and Other of USPB	Consolidated Total of USPB
Net sales	\$ 13,832,662	\$ (13,832,662)	\$ —	\$ —
Cost of sales	13,628,133	(13,628,133)	—	—
Selling, general and administrative expenses	112,895	(112,895)	(3,399)	(3,399)
Depreciation and amortization	173,697	(173,697)	(14)	(14)
Interest income	66	(66)	2,185	2,185
Interest expense	(48,447)	48,447	—	—
Other, net	—	—	1,174	1,174
Income tax expense	3,298	(3,298)	—	—
Net loss in National Beef	(127,146)	127,146	(54)	(54)
Equity in net loss of National Beef	(19,768)			(19,768)
Net loss of USPB				<u>\$ (19,822)</u>
Total assets	<u>\$ 2,273,575</u>	\$ (2,273,575)	\$ 220,305	<u>\$ 220,305</u>
Total liabilities	\$ (1,119,598)	\$ 1,119,598	\$ (10,212)	\$ (10,212)
Capital Expenditures for segment assets	\$ (95,760)	\$ 95,760	\$ —	\$ —

(1) Amounts reflect those recorded in National Beef Packing Company, LLC and subsidiaries consolidated financial statements.

52 weeks ended December 28, 2024

	Equity Method Investment in National Beef Packing Company, LLC and Subsidiaries	Elimination of Unconsolidated Affiliate	Corporate and Other of USPB	Consolidated Total of USPB
Net sales	\$ 12,373,291	\$ (12,373,291)	\$ –	\$ –
Cost of sales	11,998,533	(11,998,533)	–	–
Selling, general and administrative expenses	124,820	(124,820)	(3,268)	(3,268)
Depreciation and amortization	160,179	(160,179)	(13)	(13)
Interest income	110	(110)	3,001	3,001
Interest expense	(41,658)	41,658	–	–
Other, net	–	–	1,010	1,010
Income tax expense	(797)	797	–	–
Net income in National Beef	49,008	(49,008)	730	730
Equity in earnings of National Beef	6,784			6,784
Net income of USPB				<u>\$ 7,514</u>
Total assets	<u>\$ 2,254,845</u>	<u>\$ (2,254,845)</u>	<u>\$ 240,140</u>	<u>\$ 240,140</u>
Total liabilities	<u>\$ (1,173,748)</u>	<u>\$ 1,173,748</u>	<u>\$ (10,496)</u>	<u>\$ (10,496)</u>
Capital Expenditures for segment assets	<u>\$ (161,048)</u>	<u>\$ 161,048</u>	<u>\$ –</u>	<u>\$ –</u>

(1) Amounts reflect those recorded in National Beef Packing Company, LLC and subsidiaries consolidated financial statements.

52 weeks ended December 30, 2023

	Equity Method Investment in National Beef Packing Company, LLC and Subsidiaries	Elimination of Unconsolidated Affiliate	Corporate and Other of USPB	Consolidated Total of USPB
Net sales	\$ 11,949,876	\$ (11,949,876)	\$ –	\$ –
Cost of sales	11,403,911	(11,403,911)	–	–
Selling, general and administrative expenses	105,868	(105,868)	(3,525)	(3,525)
Depreciation and amortization	133,782	(133,782)	(20)	(20)
Interest income	66	(66)	3,238	3,238
Interest expense	(26,544)	26,544	(1)	(1)
Other, net	–	–	713	713
Income tax expense	2,692	(2,692)	–	–
Net income in National Beef	277,145	(277,145)	405	405
Equity in earnings of National Beef	41,171			41,171
Net income of USPB				<u>\$ 41,576</u>
Total assets	<u>\$ 2,268,689</u>	<u>\$ (2,268,689)</u>	<u>\$ 243,101</u>	<u>\$ 243,101</u>
Total liabilities	<u>\$ (1,236,404)</u>	<u>\$ 1,236,404</u>	<u>\$ (11,268)</u>	<u>\$ (11,268)</u>
Capital Expenditures for segment assets	<u>\$ (191,827)</u>	<u>\$ 191,827</u>	<u>\$ (9)</u>	<u>\$ (9)</u>

(1) Amounts reflect those recorded in National Beef Packing Company, LLC and subsidiaries consolidated financial statements.

Income (Loss) Per Unit

Under the LLC structure, earnings of the Company are to be distributed to unitholders based on their proportionate share of underlying equity, and, as a result, earnings per unit (EPU) has been presented in the accompanying Statement of Operations and in the table that follows.

Basic EPU excludes dilution and is computed by first allocating 10% of net income or loss attributable to USPB to Class A units and the remaining 90% is allocated to Class B units. Net income or loss allocated to the Class A and Class B units is then divided by the weighted-average number of Class A and Class B units outstanding for the period to determine the basic EPU for each respective class of unit.

Diluted EPU reflects the potential dilution that could occur to the extent that any outstanding dilutive Class A or Class B units were exercised. There are no potentially dilutive Class A or Class B units outstanding.

Income (Loss) Per Unit Calculation	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
<i>(thousands of dollars, except unit and per unit data)</i>			
Basic and diluted earnings per unit:			
Income (loss) attributable to USPB available to unitholders (numerator)			
Class A	\$ (1,982)	\$ 751	\$ 4,158
Class B	\$ (17,840)	\$ 6,763	\$ 37,418
Weighted average outstanding units (denominator)			
Class A	735,385	735,385	735,385
Class B	755,385	755,385	755,385
Per unit amount			
Class A	<u>\$ (2.70)</u>	<u>\$ 1.02</u>	<u>\$ 5.65</u>
Class B	<u>\$ (23.62)</u>	<u>\$ 8.95</u>	<u>\$ 49.54</u>

NOTE 3. Long-Term Debt and Loan Agreements

(a) Credit Agreement

On July 13, 2020, USPB and CoBank, ACB (CoBank), entered into a Credit Agreement, Amended and Restated Revolving Term Promissory Note (Promissory Note), and an Affirmation of Pledge Agreement (collectively, the New Loan Agreements). The New Loan Agreements replace, amend and restate the arrangements between CoBank and USPB contained in that certain Master Loan Agreement, Revolving Term Loan Supplement to the Master Loan Agreement, Pledge Agreement, and Security Agreement dated July 26, 2011, as amended.

On June 24, 2025, USPB and CoBank entered into an Amended and Restated Revolving Term Promissory Note (the "A&R Note"). The A&R Note amended and restated the Amended and Restated Revolving Term Promissory Note, dated July 13, 2020, issued by USPB to CoBank, which had a scheduled maturity of June 30, 2025. The A&R Note was issued under that certain Credit Agreement, dated July 13, 2020, between USPB and CoBank and is secured by an Affirmation of Pledge Agreement, dated July 13, 2020, providing CoBank with a first-priority security interest in USPB's membership interests in, and distributions from, NBP.

The A&R Note provides for a \$1.0 million revolving term commitment. That commitment carries a term of five years, maturing on June 30, 2030. Amounts outstanding under the A&R Note bear interest at 2.6% plus the higher of 0.00% and Daily Simply SOFR (as defined in the A&R Note). There were no borrowings under the facility as of December 27, 2025 or December 28, 2024.

USPB was in compliance with the financial covenant under its Credit Agreement as of December 27, 2025.

(b) Operating Leases

USPB's two office leases are accounted for under ASC 842, Leases. The Kansas City, MO office renewed its office lease in March 2023 and has a remaining term of approximately 2.25 years. The Dodge City, KS office renewed its office lease in October 2023 and has a remaining term of approximately 3.0 years. The Kansas City office lease agreement provides for renewals beyond the remaining term; the Dodge City office lease agreement does not provide for renewals beyond the remaining term. The monthly lease payment and expense for the Kansas City office was \$5,644 and \$5,425, respectively, as of December 2025, and increases by approximately 3% on April 1 of each year. The monthly lease payment and expense, for the Dodge City office was \$1,050 and \$1,049, respectively, as of December 2025. Both offices are used for general office use only. As of December 27, 2025, the present value of the remaining operating lease payments for the offices equaled \$0.2 million and USPB's balance sheet reflected Right of Use Assets and Lease Obligations equal to that amount. The discount rate used to compute the present value was 6.05%, USPB's incremental borrowing rate adjusted for the lease term.

The table below states the total of the remaining lease payments as of December 27, 2025 (thousands of dollars):

FY 2025	
2026	\$ 82
2027	84
2028 (3 months)	30
Total	<u>\$ 196</u>
Less: future interest	13
Lease liabilities recognized	<u><u>\$ 183</u></u>

NOTE 4. Employee Options and Benefit Plans

In September 2010, USPB's Board of Directors approved a management phantom unit plan. The phantom unit plan provides for the award of unit appreciation rights to management employees of USPB. USPB's CEO administers the phantom unit plan and awards "Phantom Units" (Class A and Class B Units) to employees in amounts determined by the CEO, subject to the total Phantom Unit amount approved by the Board of Directors of USPB. A total of 5,000 Class A phantom units and 5,000 Class B phantom units were awarded to management employees, with a strike price of \$118 and \$157, respectively. The closing of the Leucadia Transaction resulted in management employees receiving a payment under the management phantom unit plan. The payment to management was reduced by the strike price for both the Class A phantom units and Class B phantom units and is now \$0. As a result of the retirement of one of USPB's employees on December 31, 2014, 50 Class A phantom units and 50 Class B phantom units were forfeited as they were not vested. One third of the retiring employee's vested phantom units were exercised and the appreciation rights paid in three tranches (retirement, and first and second anniversary of retirement). At the end of fiscal year 2025, 4,490 of the Class A and Class B phantom units remained outstanding and, at the end of fiscal years 2024 and 2023, 4,750 Class A phantom units and 4,750 Class B phantom units were outstanding under the 2010 management phantom unit plan. The phantom units became fully vested in August 2015. For the 2010 management phantom unit plan, a reduction of compensation expense of \$0.1 million in fiscal years 2025 and 2024, and compensation expense of \$0.1 million was recognized in fiscal year 2023.

On November 16, 2012, USPB's Board of Directors approved the issuance of an additional 1,500 Class A phantom units, with a strike price of \$66.04 and 1,500 Class B phantom units, with a strike price of \$73.70, to certain members of management, to be effective on January 28, 2013 (the grant date fair value was established using a Black Scholes model). The phantom units became fully vested in January 2018. At the end of fiscal years 2025, 1,300 of the Class A and Class B phantom units remained outstanding and, at the end of fiscal year 2024, 1,500 of the Class A and Class B phantom units remained outstanding under the 2012 phantom unit plan. For the 2012 management phantom unit plan, a reduction of compensation expense of \$0.1 million in fiscal year 2025 and 2024, and compensation expense of \$0.2 million fiscal year 2023.

As of December 27, 2025 and December 28, 2024, the Company had accrued \$7.8 and \$8.5 million, respectively, for the management phantom plans. The accrued amounts are included in Accrued compensation and benefits and Other liabilities on the balance sheet.

	December 27, 2025	December 28, 2024
	(thousands of dollars)	
Current phantom unit	\$ 1,560	\$ 1,703
Long-term phantom unit	6,239	6,810
	<u>\$ 7,799</u>	<u>\$ 8,513</u>

USPB provides its employees the opportunity to earn cash incentives and bonuses. The cash incentive and bonus plans were designed to provide the financial incentive to the employees to influence USPB unitholder benefits and are only paid after certain levels of benefits have been achieved. As of December 27, 2025 and December 28, 2024, the Company had accrued \$1.1 million and \$0.9 million, respectively, for the cash incentive and bonus plans. The accrued amounts are included in Accrued compensation and benefits on the balance sheet.

The Company maintains a tax-qualified employee savings and retirement plan (401(k) Plan) covering the Company's non-union employees. Pursuant to the 401(k) Plan, eligible employees may elect to reduce their current compensation by up to the lesser of 75% of their annual compensation or the statutorily prescribed annual limit and have the amount of such reduction contributed to the 401(k) Plan. The 401(k) Plan provides for additional matching contributions by the Company, based on specific terms contained in the 401(k) Plan. The trustee of the 401(k) Plan, at the direction of each participant, invests the assets of the 401(k) Plan in designated investment options. The 401(k) Plan is intended to qualify under Section 401 of the Internal Revenue Code. Expenses related to the 401(k) Plan totaled approximately \$0.1 million for fiscal years 2025, 2024, and 2023.

NOTE 5. Other Expense or Income

Other non-operating income, net was \$1.2 million for fiscal year 2025, \$1.0 million for fiscal year 2024 and \$0.7 for fiscal year 2023. Other non-operating income primarily includes income related to lease income on additional delivery rights made available by the Company.

NOTE 6. Income Taxes

USPB is structured as an LLC and is taxed as a partnership for federal income tax purposes. As a result, its taxable income/loss is passed through to the unitholders at the end of each tax year. Certain states assess an entity level tax, which is paid by USPB. Such taxes were \$0.0 million in fiscal year 2025, \$0.1 million in fiscal year 2024, and \$0.4 million in fiscal year 2023.

NOTE 7. Related Party Transactions

All of the Company's directors hold Class A units of the Company directly or indirectly. By virtue of ownership of the units, each of these individuals or the entities they represent is obligated to deliver cattle to the Company. The amount and terms of the payments received by these individuals (or the entities they represent) for the delivery of cattle are made on exactly the same basis as those received by other unitholders of the Company for the delivery of their cattle.

On June 10, 2019, USPB entered into the First Amended and Restated Cattle Purchase and Sale Agreement with NBP (Amended Agreement). Per the terms and conditions of the Amended Agreement, NBP is required to purchase from USPB Class A unitholders, and USPB is required to cause to be sold and delivered from its Class A unitholders to NBP, a base amount of 735,385 (subject to adjustment) head of cattle per year. In fiscal years 2025, 2024, and 2023, USPB elected to increase the number of cattle that its Class A unitholders could deliver during USPB's delivery year by up to 10%. For fiscal years 2025, 2024, and 2023, the average cattle deliveries by USPB's Class A unitholders and associates were approximately 26.8% of NBP's total cattle requirements, under the Amended Agreement. The purchase price for the cattle is determined by pricing grids, which, at all times, are required to be no less favorable than any other pricing grid being utilized by NBP and the pricing grid shall be competitive with NBP's major competitors for the purchase of cattle. The terms and conditions of the Amended Agreement are substantially the same as the previous agreement except in the following material ways:

- Under the Amended Agreement, if NBP acquires or develops new processing (slaughter) facilities, then USPB has a first right to provide 25% of the cattle to the new NBP facility.
- The purchase price of cattle delivered by USPB Class A unitholders to the Tama, Iowa processing facility shall be no less favorable than any other pricing grid that NBP offers to any other seller of cattle delivering to the Tama, Iowa processing facility or to non-grid cattle with comparable performance.
- On each anniversary of the Amended Agreement, the term of the Amended Agreement shall be extended for five years from the date of such anniversary, unless either party elects to not extend the term. The Amended Agreement currently extends through June 10, 2026.

NBP also purchased additional cattle from certain USPB members and associates outside of the Amended Agreement.

At December 27, 2025 and December 28, 2024, the Company had receivables of approximately \$0.4 million and \$0.1 million, respectively, due from unitholders and associates. At December 27, 2025 and December 28, 2024, the Company had receivables of approximately \$0.2 million and \$0.0 million due from NBP, respectively.

At December 27, 2025 and December 28, 2024, the Company had payables of \$0.3 million and \$0.2 million due to unitholders and associates. At December 27, 2025 and December 28, 2024, the Company had payables of approximately \$0.2 million and \$0.0 million due to NBP, respectively.

NOTE 8. Legal Proceedings

As of December 27, 2025, USPB is not currently involved in any litigation. However, because its ownership interest in NBP is USPB's largest asset and because of the cattle procurement and distribution relationship between USPB and NBP, litigation involving NBP may impact USPB.

NBP is a defendant in (i) five putative class action lawsuits in the United States District Court for the District of Minnesota alleging that NBP violated some combination of the Sherman Antitrust Act, the Packers and Stockyards Act, the Commodity Exchange Act, and various state laws (the “US Class Actions”) and (ii) putative class action lawsuits in the Supreme Court of British Columbia and the Superior Court of Quebec for the district of Montreal alleging that it violated the Canadian Competition Act and various provincial laws (the “Canadian Class Actions” and the “US Class Actions” are collectively referred to as the “Beef Class Actions”). The Beef Class Actions are entitled *In re Cattle Antitrust Litigation*, which was filed originally on April 23, 2019; *Peterson et al. v. JBS USA Food Company Holdings, et al.*, which was filed originally on April 26, 2019; *In re DPP Beef Litigation*, which was filed originally on April 26, 2019; *Erbert & Gerbert’s, Inc. v. JBS USA Food Company Holdings, et al.*, which was filed originally on June 18, 2020; *Specht v. Tyson Foods, Inc., et al.*, which was filed originally on October 31, 2022; *Giang Bui v. Cargill, Incorporated, et al.*, which was filed originally on February 18, 2022; and *Sylvie De Bellefeuille v. Cargill, Inc. et al.*, which was filed originally on March 24, 2022. Since the original class action complaints were filed, certain purchasers of beef products have opted to file individual complaints and to proceed with direct actions making similar claims (the “Opt-Out Cases”), and others may do so in the future. The Opt-Out Cases are entitled *Winn-Dixie Stores, Inc. and Bi-Lo Holding, LLC v. Cargill, Inc., et al.*, which was filed on August 2, 2021 in the United States District Court, Minnesota; *Cheney Brothers, Inc. v. Cargill, Inc., et al.*, which was filed on January 31, 2022 in the United States District Court, Southern District of Florida; *Subway v. Cargill, Inc. et al.*, which was filed on February 22, 2022 in the United States District Court, Connecticut; *Amory Investments LLC v. Cargill, Inc. et al.*, which was filed originally on March 8, 2022 in the United States District Court, Northern District of New York; *Associated Grocers, Inc., et al. v. Cargill, Inc., et al.*, which was filed originally on May 12, 2022 in the United States District Court, Northern District of Illinois; *Giant Eagle, Inc. v. Cargill, Inc., et al.*, which was filed originally on June 8, 2022 in the United States District Court, Northern District of Illinois; *Sysco Corporation v. Cargill, Inc., et al.*, which was filed originally on September 30, 2022 in the United States District Court, Southern District of Texas; *John Soules Foods, Inc. v. Cargill, Inc., et al.*, which was filed originally on August 5, 2022 in the United States District Court, Eastern District of Texas; *Associated Grocers of the South et al. v. Cargill, Inc., et al.*, which was filed originally on September 15, 2022 in the United States District Court, District of Montana; *The Kroger Co. et al. v. Cargill, Inc., et al.*, which was filed originally on September 15, 2022 in the United States District Court, District of Montana; *Spartannash Co vs. Cargill, Inc. et al.*, which was filed originally on September 21, 2022 in the United States District Court, Northern District of Illinois; *Kraft Heinz Food Company v. Cargill Inc., et al.*, which was filed originally on September 30, 2022 in the United States District Court, Eastern District of New York; *Aramark Food and Support Services Group., Inc. v. Cargill Inc., et al.*, which was filed originally on September 30, 2022 in the United States District Court, Eastern District of New York; *ARCOP, Inc. v. Cargill, Inc., et al.*, which was filed originally on December 19, 2022 in the United States District Court, Southern District of Florida; *CKE Restaurant Holdings, Inc. v. Cargill, Inc., et al.*, which was filed originally on December 19, 2022 in the United States District Court, Southern District of Florida; *Sonic Industries Services Inc. v. Cargill, Inc. et al.*, which was filed originally on December 20, 2022 in the United States District Court, Southern District of Florida; *Restaurant Services, Inc. v. Cargill, Inc., et al.*, which was filed originally on December 20, 2022 in the United States District Court, Southern District of Florida; *Whatabrands LLC et al. vs. Cargill, Inc., et al.* which was filed originally on December 20, 2022 in the United States District Court, Southern District of Florida; *Sherwood Food Distributors, LLC et al. v. Cargill, Inc., et al.*, which was filed originally on March 7, 2023 in the United States District Court, Eastern District of New York; *McClane Company, Inc v. Cargill, Inc., et al.*, which was filed originally on April 3, 2023 in the United States District Court, Southern District of Florida; *Aldi, Inc v. Cargill, Inc., et al.*, which was filed originally on August 28, 2023 in the United States District Court, Northern District of Illinois; *Quirich Foods, LLC et al. v. Cargill, Inc., et al.*, which was filed originally on October 9, 2023 in the United States District Court, Northern District of Illinois; *Conagra Brands, Inc v. Cargill, Inc., et al.*, which was filed originally on October 31, 2023 in the United States District Court, Northern District of Illinois; *Compass Group USA, Inc v. Cargill, Inc., et al.*, which was filed originally on October 31, 2023 in the United States District Court, Western District of North Carolina; *Target Corp v. Cargill, Inc., et al.*, which was filed originally on December 29, 2023 in the United States District Court, Eastern District of New York; *BJ’s Wholesale Club, Inc v. Cargill, Inc., et al.*, which was filed originally on December 29, 2023 in the United States District Court, Eastern District of New York; *Glazier Foods Co et al. v. Cargill, Inc., et al.*, which was filed originally on December 29, 2023 in the United States District Court, Eastern District of New York; *Jetro Holdings, Inc v. Cargill, Inc., et al.*, which was filed originally on December 29, 2023 in the United States District Court, Eastern District of New York; *Quality Supply Chain Co-Op, Inc. v. Cargill, Inc., et al.*, which was filed originally on December 29, 2023 in the United States District Court, Eastern District of New York; and *Sodexo, Inc., et al. v. Cargill, Inc., et al.*, which was filed originally on April 29, 2024 in the United States District Court of Maryland, and *McDonald’s Corporation v. Cargill, Inc., et. al.*, which was originally filed on October 4, 2024 in the United States District Court, Eastern District of New York. On October 4, 2022, the US Class Actions and Opt-Out Cases were consolidated for pretrial proceedings in the United States District Court, Minnesota District under the style *In re: Cattle and Beef Antitrust Litigation*. The plaintiffs in these cases seek treble damages and other relief under various laws including the Sherman Antitrust Act, the Canadian Competition Act, the Packers & Stockyards Act, and/or the Commodities Exchange Act and various state and provincial laws and attorneys’ fees. NBP believes it has meritorious defenses to the claims in these cases and intends to defend them vigorously. There can be no assurances, however, as to the outcome of these matters or the impact on NBP’s consolidated financial position, results of operations and cash flows. NBP has negotiated a settlement with the plaintiffs in the Canadian Class Actions and has paid into a trust account CAN \$495,000 to resolve these claims. The settlement is subject to approval of the Canadian courts overseeing the matters. If the settlement is not ultimately approved, there can be no assurances, however, as to

the outcome of the Canadian Class Actions or the impact on the NBP's consolidated financial position, results of operations and cash flows.

In addition to the antitrust litigation, NBP is subject to an investigation by the United States Department of Justice (“DOJ”) and approximately 30 state attorneys general regarding fed cattle and beef packing markets. NBP has responded to the federal and state requests for information and cooperated with the investigations. In September 2025, NBP received notice from the DOJ that it is closing the federal investigation, and then in November 2025 the DOJ initiated a new civil antitrust investigation. NBP is currently working with the DOJ to define any new information being requested by the agency, and NBP is cooperating with this new investigation. NBP believes it has meritorious defenses to any potential claims that might arise out of any of the open investigations, although there can be no assurance as to the outcome of these investigations or the impact on NBP’s consolidated financial position, results of operations and cash flows.

NBP is a defendant in a putative class action lawsuit entitled *Brown, et al. v. JBS USA Food Company et al.* and filed in the United States District Court for the District of Colorado on November 1, 2022. The defendants filed motions to dismiss, which the court denied except as to NBP’s subsidiary, Iowa Premium. The plaintiffs filed an amended complaint on January 12, 2024. The amended complaint alleges that the defendants directly and through industry wage surveys and a benchmarking service (i) fixed wages and benefits, and (ii) exchanged information regarding compensation and benefits in an effort to depress and stabilize wages and benefits in violation of federal antitrust laws. The plaintiffs seek, among other things, treble monetary damages, pre- and post-judgment interest, declaratory and injunctive relief and the costs of the suit (including attorney fees). NBP believes it has meritorious defenses to the claims in this case, and if this proceeds to trial, intends to defend the case vigorously; however, NBP has negotiated a settlement with the plaintiffs in the employee wages and benefits matter. The settlement was submitted to the District Court for approval and the District Court granted a motion to preliminarily approve the settlement for approximately \$14.2 million on January 15, 2025. NBP has paid the settlement funds into escrow. If the settlement is not ultimately approved, there can be no assurances, however, as to the outcome of this case or the impact on the NBP’s consolidated financial position, results of operations and cash flows.

NBP is a party to various other lawsuits and claims arising out of the operation of its business. Management of NBP believes the ultimate resolution of such matters should not have a material adverse effect on NBP’s financial condition, results of operations or liquidity.

USPB is not able to assess what impact, if any, the actions described above will have on NBP or USPB.

NOTE 9. Subsequent Events

USPB has evaluated subsequent events through the date the financial statements were issued and determined there were no such events to report.

NATIONAL BEEF PACKING COMPANY, LLC
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Managers
National Beef Packing Company, LLC

Opinion

We have audited the consolidated financial statements of National Beef Packing Company, LLC (a Delaware limited liability company) and subsidiaries (the “Company”), which comprise the consolidated balance sheets as of December 27, 2025 and December 28, 2024, and the related consolidated statements of operations, comprehensive income, cash flows, and members’ capital for each of the three fiscal years in the period ended December 27, 2025, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 27, 2025 and December 28, 2024, and the results of its operations and its cash flows for each of the three fiscal years in the period ended December 27, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ GRANT THORNTON LLP

Kansas City, Missouri
February 18, 2026

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

**Consolidated Balance Sheets
(in thousands)**

	<u>December 27, 2025</u>	<u>December 28, 2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 96,167	\$ 10,661
Accounts receivable, less allowance for returns and expected credit losses of \$20,887 and \$7,904, respectively	373,869	364,977
Due from affiliates	6,058	4,156
Other receivables	5,067	4,293
Inventories	483,181	451,783
Other current assets	29,962	53,317
Total current assets	<u>994,304</u>	<u>889,187</u>
Property, plant and equipment, at cost:		
Land and improvements	119,201	116,161
Buildings and improvements	467,946	451,426
Machinery and equipment	1,019,941	947,698
Trailers and automotive equipment	11,700	5,377
Furniture and fixtures	26,386	27,965
Construction in progress	119,019	131,224
	<u>1,764,193</u>	<u>1,679,851</u>
Less accumulated depreciation	810,784	699,587
Net property, plant and equipment	<u>953,409</u>	<u>980,264</u>
Goodwill	30,634	30,634
Other intangibles, net of accumulated amortization of \$657,181 and \$608,736, respectively	213,107	261,552
Right of use assets, net of accumulated amortization of \$80,573 and \$63,836, respectively	71,836	82,099
Other assets	10,285	11,109
Total Assets	<u><u>\$ 2,273,575</u></u>	<u><u>\$ 2,254,845</u></u>
Liabilities and Members' Capital		
Current liabilities:		
Current installments of long-term debt	\$ 631	\$ 26,304
Current portion of right of use liabilities	26,398	23,975
Cattle purchases payable	148,656	225,263
Accounts payable — trade	344,247	153,656
Due to affiliates	1,711	1,071
Accrued compensation and benefits	47,413	60,220
Accrued insurance	13,306	21,953
Other accrued expenses and liabilities	48,806	64,753
Total current liabilities	<u>631,168</u>	<u>577,195</u>
Long-term debt, excluding current installments	426,521	521,786
Long-term portion of right of use liabilities	47,470	58,946
Other liabilities	14,439	15,821
Total liabilities	<u>1,119,598</u>	<u>1,173,748</u>
Commitments and contingencies		
Members' capital:		
Members' capital	1,154,605	1,081,751
Accumulated other comprehensive loss	(628)	(654)
Total members' capital	<u>1,153,977</u>	<u>1,081,097</u>

Total Liabilities and Members' capital

\$ 2,273,575

\$ 2,254,845

See accompanying notes to consolidated financial statements.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

**Consolidated Statements of Operations
(in thousands)**

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Net sales	\$ 13,832,662	\$ 12,373,291	\$ 11,949,876
Costs and expenses:			
Cost of sales	13,628,133	11,998,533	11,403,911
Selling, general and administrative	112,895	124,820	105,868
Depreciation and amortization	173,697	160,179	133,782
Total costs and expenses	<u>13,914,725</u>	<u>12,283,532</u>	<u>11,643,561</u>
Operating income (loss)	(82,063)	89,759	306,315
Other (expense) income:			
Interest income	68	110	66
Interest expense	(48,447)	(41,658)	(26,544)
Income (Loss) before taxes	<u>(130,442)</u>	<u>48,211</u>	<u>279,837</u>
Income tax expense	(3,296)	(797)	2,692
Net income (loss)	<u>\$ (127,146)</u>	<u>\$ 49,008</u>	<u>\$ 277,145</u>

See accompanying notes to consolidated financial statements.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income
(in thousands)**

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Net income (loss)	\$ (127,146)	\$ 49,008	\$ 277,145
Other comprehensive income (loss):			
Foreign currency translation adjustments	26	(196)	(189)
Comprehensive income (loss)	<u>\$ (127,120)</u>	<u>\$ 48,812</u>	<u>\$ 276,956</u>

See accompanying notes to consolidated financial statements.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows
(in thousands)**

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Cash flows from operating activities:			
Net income (loss)	\$ (127,146)	\$ 49,008	\$ 277,145
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	173,697	160,179	133,782
Provision for returns and doubtful accounts	12,983	13,276	11,028
Deferred income tax provision	4,027	325	(43)
(Gain)/Loss on disposal of property, plant and equipment	(263)	(83)	145
Amortization of debt issuance costs	1,355	924	920
Change in assets and liabilities:			
Accounts receivable	(21,875)	1,953	(92,627)
Due from affiliates	(1,902)	729	(1,049)
Other receivables	(774)	5,196	(3,874)
Inventories	(31,398)	(28,657)	(2,977)
Other assets	20,152	15,924	26,293
Right of use assets and lease liabilities, net	1,210	(1,238)	1,655
Cattle purchases payable	118,984	40,108	(16,400)
Accounts payable	(4,156)	28,076	(21,817)
Due to affiliates	641	92	(4,430)
Accrued compensation and benefits	(12,807)	(31,074)	(103,515)
Accrued insurance	(8,647)	10,183	299
Other accrued expenses and liabilities	(17,329)	18,244	711
Net cash provided by operating activities	<u>106,752</u>	<u>283,165</u>	<u>205,246</u>
Cash flows from investing activities:			
Capital expenditures, including interest capitalized	(95,760)	(161,048)	(191,827)
Proceeds from sale of property, plant and equipment	408	395	688
Net cash used in investing activities	<u>(95,352)</u>	<u>(160,653)</u>	<u>(191,139)</u>
Cash flows from financing activities:			
Receipts under revolving credit lines	8,051,000	6,274,144	1,812,856
Payments under revolving credit lines	(8,108,000)	(6,380,000)	(1,650,000)
Receipts under reducing revolving credit lines	6,330,000	4,150,000	4,530,000
Payments under reducing revolving credit lines	(6,390,000)	(4,170,000)	(4,340,000)
Repayments of other indebtedness/finance leases	(2,309)	(2,157)	(4,035)
Cash paid for financing costs	(6,608)	-	-
Member Contributions	200,000	-	-
Member Distributions	-	-	(385,660)
Net cash provided by financing activities	<u>74,083</u>	<u>(128,013)</u>	<u>(36,839)</u>
Effect of exchange rate changes on cash	23	(211)	(203)
Net increase (decrease) in cash	<u>85,506</u>	<u>(5,712)</u>	<u>(22,935)</u>
Cash and cash equivalents at beginning of period	<u>10,661</u>	<u>16,373</u>	<u>39,308</u>
Cash and cash equivalents at end of period	<u>\$ 96,167</u>	<u>\$ 10,661</u>	<u>\$ 16,373</u>
Supplemental disclosures:			
Cash paid during the period for interest	<u>\$ 53,592</u>	<u>\$ 44,314</u>	<u>\$ 38,049</u>
Cash paid during the period for taxes	<u>\$ 17</u>	<u>\$ 80</u>	<u>\$ 405</u>
Supplemental non-cash disclosures of operating and investing activities:			

Non-cash additions to property, plant and equipment included in accounts payable	<u>\$ 4,833</u>	<u>\$ 5,678</u>	<u>\$ 3,210</u>
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See accompanying notes to consolidated financial statements.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

**Consolidated Statements of Members' Capital
(in thousands)**

	Members' Capital	Accumulated Other Comprehensive Income (Loss)	TOTAL
Balance at December 31, 2022	\$ 1,141,258	\$ (269)	\$ 1,140,989
Net income	277,145	-	277,145
Distributions	(385,660)	-	(385,660)
Foreign currency translation adjustments	-	(189)	(189)
Balance at December 30, 2023	\$ 1,032,743	\$ (458)	\$ 1,032,285
Net income	49,008	-	49,008
Distributions	-	-	-
Foreign currency translation adjustments	-	(196)	(196)
Balance at December 28, 2024	\$ 1,081,751	\$ (654)	\$ 1,081,097
Net (loss)	(127,146)	-	(127,146)
Distributions	-	-	-
Contributions	200,000	-	200,000
Foreign currency translation adjustments	-	26	26
Balance at December 27, 2025	<u>\$ 1,154,605</u>	<u>\$ (628)</u>	<u>\$ 1,153,977</u>

See accompanying notes to consolidated financial statements.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS

National Beef Packing Company, LLC (the Company) is a Delaware limited liability company. The Company and its subsidiaries produce and sell meat products to customers in the retail, distribution, food service, international, and further processor channels. The Company also produces and sells by-products, that are derived from its meat processing operations, to customers in various industries.

The Company operates beef slaughter and fabrication facilities in Liberal and Dodge City, Kansas and Tama, Iowa, consumer-ready beef and pork processing facilities in Hummels Wharf, Pennsylvania, Moultrie, Georgia and Kansas City, Kansas and a beef patty manufacturing facility in North Baltimore, Ohio. National Carriers, Inc., or National Carriers, a wholly-owned subsidiary located in Irving, Texas, provides trucking services to the Company and to third parties and National Elite Transportation, LLC, or National Elite, a wholly-owned subsidiary located in Springdale, Arkansas, provides third-party logistics services to the transportation industry. National Beef Leathers, LLC, or NBL, a wholly-owned subsidiary located in St. Joseph, Missouri, provides hide tanning services for the Company. Kansas City Steak Company, LLC, or Kansas City Steak, includes a direct to consumer business and operates a warehouse and fulfilment facility in Kansas City, Kansas. As of December 27, 2025, and December 28, 2024, approximately 53% of our employees were represented by collective bargaining agreements. The Company makes certain contributions for the benefit of employees (see Note 6).

NOTE 2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of the Company and its direct and indirect subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. All amounts in the accompanying consolidated financial statements and related notes are presented in U.S. dollars.

Fiscal Year

The Company's fiscal year consists of 52 or 53 weeks, ending on the last Saturday in December. Fiscal 2025, 2024 and 2023 were each 52-week fiscal years. All references to years in these notes to consolidated financial statements represent fiscal years unless otherwise noted.

Use of Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, using management's best estimates and judgments where appropriate. These estimates and judgments affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements. The estimates and judgments will also affect the reported amounts for certain revenues and expenses during the reporting period. Actual results could differ materially from these estimates and judgments.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company's cash deposits are held at multiple financial institutions. At times, deposits held with financial institutions may exceed the amount of insurance provided by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

**NATIONAL BEEF PACKING COMPANY, LLC
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Allowance for Returns and Expected Credit Losses

The allowance for returns and expected credit losses is the Company's best estimate of the amount of probable returns and credit losses in the Company's existing accounts receivable. The Company closely monitors accounts receivable balances and estimates the allowance for expected credit losses. The estimates are based primarily on historical collection experience, customer conditions and other factors. Management considers factors such as changes in the economy and industry. Specific accounts are reviewed individually for collectability. Historically, the expected credit losses associated with accounts receivable have not been material.

The following table represents the rollforward of the allowance for returns and expected credit losses for the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023 (in thousands):

<u>Period Ended</u>	<u>Beginning Balance</u>	<u>Provision</u>	<u>Charge Off</u>	<u>Ending Balance</u>
December 30, 2023	\$ (3,075)	\$ (11,028)	\$ 10,623	\$ (3,480)
December 28, 2024	\$ (3,480)	\$ (13,276)	\$ 8,852	\$ (7,904)
December 27, 2025	\$ (7,904)	\$ (18,046)	\$ 5,063	\$ (20,887)

Inventories

Inventories consist primarily of beef, beef by-products, parts and supplies and are stated at the lower of cost or net realizable value, with cost principally determined under the first-in-first-out method for beef products and average cost for supplies.

Inventories at December 27, 2025 and December 28, 2024 consisted of the following (in thousands):

	<u>December 27, 2025</u>	<u>December 28, 2024</u>
Dressed and boxed beef products	\$ 379,311	\$ 352,726
Beef by-products	36,041	34,637
Parts, supplies and other	67,829	64,420
Total inventory	<u>\$ 483,181</u>	<u>\$ 451,783</u>

Property, plant and equipment

Property, plant and equipment are recorded at cost. Property, plant and equipment are depreciated principally on a straight-line basis over the estimated useful life of the individual asset by major asset class as follows:

Buildings and improvements	15 to 25 years
Machinery and equipment	3 to 15 years
Automotive equipment	2 to 4 years
Furniture and fixtures	3 to 5 years

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Depreciation expense was \$125.3 million, \$111.7 million and \$85.1 million for the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023, respectively.

Upon disposition of these assets, any resulting gain or loss is included in selling, general, and administrative. Major repairs and maintenance costs that extend the useful life of the related assets are capitalized. Normal repairs and maintenance costs are charged to operations as incurred.

The Company capitalizes the cost of interest on borrowed funds which are used to finance the construction of certain property, plant and equipment. Such capitalized interest costs are charged to the property, plant and equipment accounts and are amortized through depreciation charges over the estimated useful lives of the assets. Interest capitalized was \$2.8 million, \$10.0 million and \$12.7 million for the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023, respectively.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is assessed based on estimated undiscounted future cash flows. Impairment, if any, is recognized based on fair value of the assets. Assets to be disposed of are reported at the lower of cost or fair value less costs to sell and are no longer depreciated. There were no events or circumstances which would indicate that the carrying amount of our property, plant and equipment may not be recoverable during 2025, 2024 or 2023.

Goodwill and Other Intangible Assets

Accounting Standards Codification (ASC) 350, *Intangibles - Goodwill and Other*, provides that goodwill shall not be amortized but shall be tested for impairment on an annual basis. Identifiable intangible assets with definite lives are amortized over their estimated useful lives. The Company evaluates goodwill annually for impairment at the end of December and this test involves comparing the fair value of the reporting unit to the reporting unit's book value to determine if any impairment exists. Fair values are based on valuation techniques we believe market participants would use, although the valuation process requires significant judgment and often involves the use of significant estimates and assumptions. The Company calculates the fair value of the reporting unit using estimates of future cash flows and other market comparable information deemed appropriate. The estimates and assumptions used in determining fair value could have a significant effect on whether or not an impairment charge is recorded and the magnitude of such a charge. If the book value of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit. As a result of the testing performed on the Company's goodwill, the fair value exceeded the carrying value of the reporting unit and thus no impairment charge was recorded in the periods presented. Adverse market or economic events could result in impairment charges in future periods.

ASC 360, *Impairment and Disposal of Long-Lived Assets*, provides that we evaluate our long-lived assets for impairment whenever events or changes in circumstances indicate, in management's judgment, that the carrying value of such assets may not be recoverable. When testing for impairment, we group our long-lived assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (or asset group). The determination of whether an asset group is recoverable is based on management's estimate of undiscounted future cash flows directly attributable to the asset group as compared to its carrying value. If the carrying amount of the asset group is greater than the undiscounted cash flows, an impairment loss would be recognized for the amount by which the carrying amount of the asset group exceeds its estimated fair value. As a result of the review performed, no triggering events occurred during 2025 or 2024 related to the Company's long-lived assets, thus no impairment charge was recorded.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The amounts of other intangible assets are as follows (in thousands):

	Weighted Average Amortization Period	December 27, 2025	
		Gross Carrying Amount	Accumulated Amortization
Intangible assets subject to amortization:			
Customer relationships	18	\$ 433,300	\$ 327,928
Trade names	20	290,148	191,986
Cattle supply relationships	15	143,600	134,027
Other	6	3,240	3,240
Total intangible assets		<u>\$ 870,288</u>	<u>\$ 657,181</u>

	Weighted Average Amortization Period	December 28, 2024	
		Gross Carrying Amount	Accumulated Amortization
Intangible assets subject to amortization:			
Customer relationships	18	\$ 433,300	\$ 303,558
Trade names	20	290,148	177,484
Cattle supply relationships	15	143,600	124,454
Other	6	3,240	3,240
Total intangible assets		<u>\$ 870,288</u>	<u>\$ 608,736</u>

For the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023 the Company recognized \$48.4 million, \$48.4 million and \$48.7 million, respectively, of amortization expense on intangible assets. The following table reflects the anticipated amortization expense relative to intangible assets recognized in the Company's consolidated balance sheet as of December 27, 2025, for each of the next five years and thereafter (in thousands):

Estimated amortization expense for fiscal years ending:		
2026		\$ 48,445
2027		38,872
2028		38,872
2029		38,872
2030		16,287
Thereafter		31,759
Total		<u>\$ 213,107</u>

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Overdraft Balances

The majority of the Company's bank accounts are zero balance accounts where cash needs are funded as checks are presented for payment by the holder. Checks issued pending clearance that result in overdraft balances for accounting purposes are included in the trade accounts payable and cattle purchases payable balances, and the change in the related balances are reflected in operating activities on the Company's consolidated statement of cash flows.

Self-insurance

The Company is self-insured for certain losses relating to workers' compensation, automobile liability, general liability and employee medical and dental benefits. The Company has purchased stop-loss coverage in order to limit its exposure to significant levels of claims. Self-insured losses are accrued in accrued insurance and other long-term liabilities in the Company's consolidated balance sheets based upon the Company's estimates of the aggregate uninsured claims incurred using actuarial assumptions accepted in the insurance industry and the Company's historical experience rates.

Environmental Expenditures and Remediation Liabilities

Environmental expenditures that relate to current or future operations and which improve operational capabilities are capitalized at the time of expenditure. Expenditures that relate to an existing or prior condition caused by past operations, and do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated.

Foreign Currency Translation

The Company has representative offices located in Tokyo, Japan; Seoul, South Korea; and Hong Kong. The primary activity of these offices is to assist customers with product and order related issues. For these foreign offices, the local currency is the functional currency. Translation into U.S. dollars is performed for assets and liabilities at the exchange rates as of the balance sheet date. Income and expense accounts are recorded at average exchange rates for the period. Adjustments resulting from the translation are reflected as a separate component of other comprehensive income.

Income Taxes

The provision for income taxes is computed on a separate legal entity basis. Accordingly, as the Company is a limited liability company, the separate legal entity does not provide for income taxes, as the results of operations are included in the taxable income of the individual members. However, certain states impose privilege taxes on the apportioned taxable income or income related measurements of the Company. To the extent that entities provide for income taxes, deferred tax assets and liabilities are recognized based on the differences between the financial statement and tax basis of assets and liabilities at each balance sheet date using enacted tax rates expected to be in effect in the year the differences are expected to reverse and are thus included in the consolidated financial statements of the Company. National Carriers Inc. remains subject to examination of its income taxes for fiscal years 2025, 2024, 2023, and 2022.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, short-term trade and other receivables and payables, approximate their fair values due to the short-term nature of the instruments. The carrying value of debt approximates its fair value at December 27, 2025 and December 28, 2024, as substantially all debt carries variable interest rates.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Selling, General and Administrative Costs

Selling expenses consist primarily of salaries, trade promotions, advertising, commissions and other marketing costs. General and administrative costs consist primarily of general management, insurance and professional expenses. Selling, general and administrative costs consist of aggregated expenses that generally apply to multiple locations.

Shipping Costs

Pass-through finished goods delivery costs reimbursed by customers are reported in sales, while an offsetting expense is included in cost of sales.

Advertising

Advertising expenses are charged to operations in the period incurred and were \$19.9 million, \$21.8 million and \$23.5 million for the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023.

Comprehensive Income

Comprehensive income consists of net income and foreign currency translation adjustments.

Derivative Activities

The Company uses futures contracts in order to reduce exposure associated with entering into firm commitments to purchase live cattle at prices determined prior to the delivery of the cattle as well as firm commitments to sell certain beef products at sales prices determined prior to shipment. In accordance with ASC 815, *Derivatives and Hedging*, the Company accounts for futures contracts and their related firm purchase commitments at fair value. Firm commitments for sales are treated as normal sales and therefore not marked to market. Certain firm commitments to purchase cattle, are marked to market when a price has been agreed upon, otherwise they are treated as normal purchases and, therefore, not marked to market. ASC 815 imposes extensive recordkeeping requirements in order to treat a derivative financial instrument as a hedge for accounting purposes.

Derivatives qualify for treatment as hedges when there is a high correlation between the change in fair value of the instrument and the related change in fair value of the underlying commitment. For derivatives that qualify as effective hedges, the change in fair value has no net effect on earnings until the hedged transaction is settled. For derivatives that are not designated as hedging instruments, or for the ineffective portion of a hedging instrument, the change in fair value does affect current period net earnings.

While management believes each of these instruments help mitigate various market risks, they are not designated and accounted for as hedges under ASC 815. Accordingly, the gains and losses associated with the change in fair value of the instrument and the offsetting gains and losses associated with changes in the market value of certain of the firm purchase commitments related to the futures contracts are recorded to income and expense in the period of change.

The fair value of derivative assets is recognized within Other current assets, while the fair value of derivative liabilities is recognized within Other accrued expenses and liabilities.

**NATIONAL BEEF PACKING COMPANY, LLC
AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3. REVENUE RECOGNITION

The Company generates revenue primarily from customers in the retail, foodservice, international, and other channels. Our revenues primarily result from contracts with customers which are generally short term in nature with the delivery of product as the single performance obligation. We recognize revenue from the sale of the product at the point in time when our performance obligation has been satisfied and control of the product has transferred to our customer, which generally occurs upon shipment or delivery to a customer based on terms of the sale. In accordance with ASC 340 *Other Assets and Deferred Costs*, an entity may elect a practical expedient that allows the entity to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less. Our contracts are generally less than one year, therefore we have elected this practical expedient and have recognized costs paid to obtain contracts as expense when incurred. Additionally, items that are not material in the context of the contract are recognized as expense. Any taxes collected on behalf of government authorities are excluded from net revenues.

Revenue is measured by the transaction price, which is defined as the amount of consideration we expect to receive in exchange for providing goods to customers. The transaction price is adjusted for estimates of known or expected variable consideration, which includes consumer incentives, trade promotions, product returns, and allowances, such as discounts, rebates, volume-based incentives, cooperative advertising, and other programs. Variable consideration related to these programs is recorded as a reduction to revenue based on amounts we expect to pay. We base these estimates on current performance, historical utilization, and projected redemption rates of each program. We review and update these estimates regularly until the incentives or product returns are realized and the impact of any adjustments are recognized in the period the adjustments are identified. In many cases, key sales terms such as pricing and quantities ordered are established on a regular basis such that most customer arrangements and related incentives have a duration of less than one year. Amounts billed and due from customers are short term in nature and are classified as receivables since payments are unconditional and only the passage of time is required before payments are due. Additionally, we do not grant payment financing terms greater than one year.

Disaggregated Revenue

The following table further disaggregates our sales by major revenue stream for the fiscal years ended (in thousands):

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Beef, pork, & beef by-products	\$ 13,692,929	\$ 12,212,257	\$ 11,791,237
Other	139,733	161,034	158,639
Net Sales	<u>\$ 13,832,662</u>	<u>\$ 12,373,291</u>	<u>\$ 11,949,876</u>

Contract Balances

Nearly all of the Company's contracts with its customers are short-term, defined as less than one year. The Company receives payment from customers based on terms established with the customer. Payments are typically due within seven days of delivery. There are rarely contract assets related to costs incurred to perform in advance of scheduled billings. The Company requires certain customers to pay in advance to avoid collection risk. Revenue contract liabilities relate to payments received in advance of satisfying the performance under the customer contract and are included in Other accrued expenses and liabilities in the consolidated balance sheets.

**NATIONAL BEEF PACKING COMPANY, LLC
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Changes in the contract liability balances during 2025 are as follows (in thousands):

	December 27, 2025	December 28, 2024	Change
Contract liabilities	\$ 18,995	\$ 13,992	\$ 5,003

Changes in the contract liability balances during 2024 are as follows (in thousands):

	December 28, 2024	December 30, 2023	Change
Contract liabilities	\$ 13,992	\$ 19,939	\$ (5,497)

Substantially all of the contract liability as of December 28, 2024 was recognized in revenue during 2025. The Company expects to recognize substantially all of the current year liability in 2026.

NOTE 4. LEASES

The Company reviews all agreements entered into in order to determine if the contract contains a lease which will be accounted under ASC 842 *Leases*. Our portfolio of leases primarily consists of machinery, equipment and railcars for our slaughter and fabrication facilities and tractors and trailers for our wholly owned trucking subsidiary, National Carriers. In addition, we lease our corporate headquarters facility and various regional offices.

Many of our tractor and trailer leases include a terminal rental adjustments clause (“TRAC”). Under these arrangements, at the end of the lease term and upon the lessor’s sale or disposition of the assets, if the amount received by the lessor is less than an amount predetermined and agreed upon in the lease arrangement, or the TRAC value, the Company is liable to the Lessor and shall immediately pay to the Lessor the amount of the deficiency as additional rental payments. The additional amount is typically limited to the TRAC value less a percentage of the original fair value of the leased assets. The Company considers these potential incremental lease payments as residual value guarantees and only includes the probable portion as lease payments upon lease commencement.

The majority of our leases include fixed rental payments. Certain of our lease agreements contain options or renewals that extend the lease term. Upon lease commencement, we only reflect the payments related to options or renewals within the right of use asset and lease liability balances when the option or renewals are reasonably certain to be exercised. The Company generally expects that it will renew lease agreements or enter new leases as the existing leases expire.

We have elected the practical expedient to keep short-term leases (defined as less than 12 months without a purchase option that is likely to be exercised) off of our balance sheet and the practical expedient to combine lease and non-lease components by class of underlying asset.

When capitalizing right of use assets and lease liabilities, the Company uses the rate implicit in the lease, if it is readily available, otherwise, we use our incremental borrowing rate.

**NATIONAL BEEF PACKING COMPANY, LLC
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During our fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023 we recognized rent expense associated with our leases as follows (in thousands):

	<u>December 27, 2025</u>	<u>December 28, 2024</u>	<u>December 30, 2023</u>
Operating lease cost:			
Fixed rent expense	\$ 29,415	\$ 29,120	\$ 30,030
Variable rent expense	–	–	34
Finance lease cost:			
Amortization of ROU assets	1,925	2,025	2,254
Interest expense	68	154	236
Short-term lease cost	14,661	15,329	12,097
Net lease cost	<u>\$ 46,069</u>	<u>\$ 46,628</u>	<u>\$ 44,651</u>
Lease cost – Cost of sales	42,869	43,238	41,220
Lease cost – SG&A	1,208	1,211	941
Lease cost – Depreciation & Amortization	1,925	2,025	2,254
Lease cost – Interest expense	67	154	236
Net lease cost	<u>\$ 46,069</u>	<u>\$ 46,628</u>	<u>\$ 44,651</u>

Amounts recognized as right-of-use assets related to finance leases are included in Property, plant and equipment, at cost in the accompanying consolidated balance sheet, while amounts related to finance lease liabilities are included in Current installments of long-term debt and Long-term debt. As of December 27, 2025, and December 28, 2024, right-of-use assets and lease liabilities related to finance leases were as follows (in thousands):

	<u>December 27, 2025</u>	<u>December 28, 2024</u>
Finance lease ROU assets	\$ 3,668	\$ 1,969
Finance lease liabilities:		
Current installments of long-term debt	631	2,228
Long-term debt	3,151	239

During the fiscal years ended December 27, 2025, December 28, 2024, and December 30, 2023 we had the following cash and non-cash activities associated with our leases (in thousands):

	<u>December 27, 2025</u>	<u>December 28, 2024</u>	<u>December 30, 2023</u>
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 28,148	\$ 30,574	\$ 28,702
Operating cash flows from finance leases	73	162	222
Financing cash flows from finance leases	2,188	2,152	1,889
Supplemental non-cash information Additions to ROU assets obtained from:			
New operating lease liabilities	12,869	23,578	41,400
New finance lease liabilities	3,624	96	242

**NATIONAL BEEF PACKING COMPANY, LLC
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The future payments due under operating and finance leases as of December 27, 2025 is as follows (in thousands):

	<u>Operating</u>	<u>Finance</u>
Due in:		
2026	\$ 26,398	\$ 631
2027	23,633	3,505
2028	11,924	14
2029	9,095	–
2030	4,663	–
Thereafter	4,942	–
Total	<u>80,655</u>	<u>4,150</u>
Future interest	<u>(6,787)</u>	<u>(368)</u>
Lease liabilities recognized	<u>\$ 73,868</u>	<u>\$ 3,782</u>

As of December 27, 2025, the weighted-average remaining lease term for all operating leases is 3.45 years, while the weighted-average remaining lease term for all finance leases is 1.91 years. As of December 28, 2024, the weighted-average remaining lease term for all operating leases is 4.08 years, while the weighted-average remaining lease term for all finance leases is 1.14 years.

As of December 27, 2025, the weighted-average discount rate associated with operating leases is 4.77%, while the weighted-average discount rate associated with finance leases is 6.05%. As of December 28, 2024, the weighted-average discount rate associated with operating leases is 4.67%, while the weighted-average discount rate associated with finance leases is 4.6%.

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NOTE 5. LONG-TERM DEBT AND LOAN AGREEMENTS

The Company has entered into various debt agreements to finance acquisitions and provide liquidity to operate the business on a going forward basis. As of December 27, 2025, and December 28, 2024, debt consisted of the following (in thousands):

	December 27, 2025	December 28, 2024
Short-term debt:		
Reducing revolver credit facility (a)	\$ —	\$ 25,000
Current portion of loan costs (c)	—	(924)
Current portion of finance lease obligations	631	2,228
	631	26,304
Long-term debt:		
Reducing revolver credit facility (a)	430,000	465,000
Industrial Development Revenue Bonds (b)	2,000	2,000
Revolving credit facility (a)	—	57,000
Long-term portion of loan costs (c)	(8,630)	(2,453)
Long-term finance lease obligations	3,151	239
	426,521	521,786
Total debt	\$ 427,152	\$ 548,090

(a) *Senior Credit Facilities* - In October 2025, the Company amended its senior credit facilities. The Fifth Amended and Restated Credit Agreement (Debt Agreement) matures in September 2030. The Debt Agreement includes a \$1.15 billion reducing revolver loan and a \$350.0 million revolving credit facility. The Debt Agreement is secured by a first priority lien on substantially all of the assets of the Company and its subsidiaries and includes customary covenants including a financial covenant that requires the Company to maintain a minimum tangible net worth; as of December 27, 2025, the Company was in compliance with the financial covenant.

At December 27, 2025, the Company's outstanding debt balance under the Debt Agreement was \$430.0 million. The reducing revolving loan and the revolving credit facility bear interest at the Base Rate or the SOFR Rate (as defined in the Debt Agreement), plus a margin ranging from 0.50% to 3.00% depending upon certain financial ratios and the rate selected. As of December 27, 2025 the interest rate on the reducing revolver credit facility and the revolving credit facility was 6.59% and 6.42%, respectively.

Borrowings under the reducing revolver loan and the revolving credit facility are available for the Company's working capital requirements, capital expenditures and other general corporate purposes. Unused capacity under the revolving credit facility can also be used to issue letters of credit. There were letters of credit aggregating \$2.2 million outstanding at December 27, 2025. Amounts available under the revolving credit facility are subject to a borrowing base calculation primarily comprised of receivable and inventory balances; amounts available under the reducing revolver facility are constrained only by the reductions in the commitment amount. On December 27, 2025, after deducting outstanding amounts and issued letters of credit, \$315.4 million of the unused revolving credit facility and \$720.0 million of the reducing revolver commitment was available to the Company.

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(b) *Industrial Development Revenue Bonds* - Effective December 30, 2004, the Company entered into a transaction with the City of Dodge City, Kansas, designed to provide property tax savings. Under the transaction, the City purchased the Company's Dodge City facility, or the facility, by issuing \$102.3 million in bonds due in December 2019, used the proceeds to purchase the facility and leased the facility to the Company for an identical term under a capital lease. The Company purchased the City's bonds with proceeds of its term loan under the Debt Agreement. Because the City has assigned the lease to the bond trustee for the benefit of the Company as the sole bondholder, the Company, effectively controls enforcement of the lease against itself. As a result of the capital lease treatment, the facility remains a component of property, plant and equipment in the Company's consolidated balance sheets. As a result of the legal right of offset, the capital lease obligation and the corresponding bond investments have been eliminated in consolidation. The transaction provides the Company with property tax exemptions for the leased facility, that, after netting payments to the City and local school district under payment in lieu of tax agreements, result in an annual property tax savings of approximately 25%. The facility remains subject to a prior mortgage and security interest in favor of the lenders under the Debt Agreement. Additional revenue bonds may be issued to cover the costs of certain improvements to this facility. The total amount of revenue bonds authorized for issuance is \$120.0 million. During 2019 the Company extended the basic term of the bonds based on the original agreement and exercised its right to purchase the project. The purchase closed in 2020.

The cities of Liberal and Dodge City, Kansas issued an aggregate of \$13.9 million of industrial development revenue bonds on the Company's behalf to fund the purchase of equipment and construction improvements at the Company's facilities in those cities. These bonds were issued in four series of \$1.0 million, \$1.0 million, \$6.0 million and \$5.9 million. Of the four series of bonds, only the \$1.0 million and \$1.0 million due on demand or on February 1, 2029 and March 1, 2027, respectively, remain outstanding. The bonds issued in 1999 and 2000 are variable rate demand obligations that bear interest at a rate that is adjusted weekly, which rate will not exceed 10% per annum. The Company has the option to redeem a series of bonds at any time for an amount equal to the principal plus accrued interest to the date of such redemption. The holders of the bonds have the option to tender the bonds upon seven days' notice for an amount equal to par plus accrued interest. To the extent that the remarketing agent for the bonds is unable to resell any of the bonds that are tendered, the remarketing agent could use the letter of credit to fund such tender. Because each series of bonds is backed by a letter of credit under our Debt Agreement, these due-on-demand bonds have been presented as non-current obligations until twelve months prior to their maturity.

Effective April 3, 2020, the Company entered a transaction with the City of Liberal, Kansas, designed to provide property tax savings. Under the transaction, the City purchased certain assets of the Company's Liberal, Kansas facility (the facility) by issuing federally taxable industrial revenue bonds in an amount not to exceed \$65.0 million with a stated maturity of December 31, 2032. The City then leased the assets to the Company under a capital lease with a basic term expiring when any and all principal, redemption premium, and interest on said bonds are redeemed and paid in full. The Company purchased the City's bonds with proceeds of its loans under the Debt Agreement. Because the City has assigned the lease to the bond trustee for the benefit of the Company as the sole bondholder, the Company, effectively controls enforcement of the lease against itself. As a result of the capital lease treatment, the facility remains a component of property, plant and equipment in the Company's consolidated balance sheets. As a result of the legal right of offset, the capital lease obligation and the corresponding bond investments have been eliminated in consolidation. The facility remains subject to a prior mortgage and security interest in favor of the lenders under the Debt Agreement. The total amount of revenue bonds authorized for issuance is \$65.0 million.

(c) *Debt issuance costs* - In conjunction with the 2025 Debt Agreement, the Company paid financing charges of approximately \$6.6 million which are being amortized over the life of the loan along with approximately \$2.0 million of unamortized loan charges from previous amendments.

Amortization of \$1.4 million, \$0.9 million and \$0.9 million was charged to interest expense during the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023, respectively.

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The aggregate minimum principal maturities of the long-term debt for each of the five fiscal years and thereafter following December 27, 2025, are as follows (in thousands):

	Minimum Principal Maturities
Fiscal year ending December:	
2026	\$ 631
2027	4,137
2028	14
2029	1,000
2030	430,000
Thereafter	—
Total minimum principal maturities	\$ 435,782
Total unamortized loan costs	(8,630)
Total debt	\$ 427,152

NOTE 6. RETIREMENT PLANS

The Company maintains tax-qualified employee savings and retirement plans, or the 401(k) Plans, covering certain of the Company's employees. Pursuant to the 401(k) Plans, eligible employees may elect to reduce their current compensation by up to the lesser of 75% of their annual compensation or the statutorily prescribed annual limit and have the amount of such reduction contributed to the 401(k) Plans. The 401(k) Plans provide for additional matching contributions by the Company, based on specific terms contained in the 401(k) Plans. The trustees of the 401(k) Plans, at the direction of each participant, invest the assets of the 401(k) Plan in designated investment options. The 401(k) Plans are intended to qualify under Section 401 of the Internal Revenue Code. Expenses related to the 401(k) Plans matching contributions totaled approximately \$6.1 million, \$6.1 million and \$5.0 million for the fiscal years 2025, 2024 and 2023, respectively.

During 2017, the Company bargained with the United Food and Commercial Workers International Union (UFCW) Local 2 for a complete withdrawal from a UFCW sponsored retirement plan in which certain of our employees participate (the "UFCW Plan"). As a result, the Company is required to make withdrawal payments into the fund over a 20-year period. The Company recorded expenses related to the UFCW Plan withdrawal of approximately \$18.6 million which was included in Cost of sales during 2017. Payments into the UFCW Plan began during 2018. The current portion of the withdrawal liability is approximately \$0.9 million and is included in Other accrued expenses and liabilities on the consolidated balance sheets. The long-term portion of the withdrawal liability is approximately \$12.2 million and \$13.1 million as of December 27, 2025 and December 28, 2024 and is included in Other liabilities on the consolidated balance sheets.

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NOTE 7. INCOME TAXES

Income tax expense includes the following current and deferred provisions (in thousands):

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Current provision:			
Federal	\$ 93	\$ (778)	\$ 1,288
State	302	(426)	1,430
Foreign	11	82	17
Total current tax expense (benefit)	<u>406</u>	<u>(1,122)</u>	<u>2,735</u>
Deferred provision:			
Federal	(2,833)	272	(37)
State	(869)	53	(6)
Foreign	—	—	—
Total deferred tax (benefit) expense	<u>(3,702)</u>	<u>325</u>	<u>(43)</u>
Total income tax (benefit) expense	<u>\$ (3,296)</u>	<u>\$ (797)</u>	<u>\$ 2,692</u>

NOTE 8. RELATED PARTY TRANSACTIONS

The Company entered into various transactions with various Marfrig affiliates, and a company affiliated with NBPCo Holdings, which holds an ownership interest in the Company, in the ordinary course of business.

During fiscal years 2025, 2024 and 2023, the Company had sales and purchases with the following related parties (in thousands):

	52 weeks ended December 27, 2025	52 weeks ended December 28, 2024	52 weeks ended December 30, 2023
Sales to:			
Empirical Foods, Inc. (1)	\$ 99,437	\$ 90,489	\$ 105,555
MF Foods USA, LLC (2)	2,830	1,539	1,634
Marfrig affiliated (3)	5,788	—	—
Total sales to affiliate	<u>\$ 108,055</u>	<u>\$ 92,028</u>	<u>\$ 107,189</u>
Purchases from:			
Empirical Foods, Inc. (1)	\$ 15,168	\$ 13,688	\$ 11,923
Marfrig affiliates (3)	45,213	55,644	44,553
Total purchases from affiliate	<u>\$ 60,381</u>	<u>\$ 69,332</u>	<u>\$ 56,476</u>

(1) Empirical Foods, Inc. (Empirical) is an affiliate of NBPCo Holdings, formerly Beef Products, Inc. (BPI)

(2) MF Foods USA, LLC is a wholly owned subsidiary of Marfrig

(3) Marfrig affiliates include Weston Importers, LTD, Establecimientos Colonia, Frigorifico Tacuarembó, Inaler SA, and Frigorifico LaCaballada

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In January 2007, we entered into an agreement with Empirical for Empirical to manufacture and install a grinding system in one of our plants. In accordance with the agreement with Empirical, we are to pay Empirical a technology and support fee based on the number of pounds of product produced using the grinding system. The installation of the grinding system was completed in fiscal year 2008. We paid approximately \$1.2 million during 2025, \$1.3 million during 2024 and \$1.4 million during fiscal year 2023 to Empirical in technology and support fees.

We are party to a long-term cattle supply agreement with U.S. Premium Beef, LLC (US Premium Beef), a minority owner of the Company. Under this agreement we have agreed to purchase from the members of US Premium Beef, and US Premium Beef has agreed to cause its members to deliver, 735,385 head of cattle each year (subject to adjustment) at prices based on those published by the U.S. Department of Agriculture, subject to adjustments for cattle performance. We obtained approximately 27% of our cattle requirements under this agreement during fiscal year 2025, and approximately 25% each of the fiscal years 2024 and 2023.

NOTE 9. DISCLOSURE ABOUT DERIVATIVE INSTRUMENTS

As part of the Company's ongoing operations, the Company is exposed to market risks such as changes in commodity prices. To manage these risks, the Company may enter into the following derivative instruments pursuant to our established policies:

- Forward purchase contracts for cattle for use in our beef plants
- Exchange traded futures contracts for cattle
- Exchange traded futures contracts for agricultural products

While management believes each of these instruments help mitigate various market risks, they are not designated and accounted for as hedges as a result of the extensive recordkeeping requirements associated with hedge accounting. Accordingly, the gains and losses associated with the change in fair value of the instruments are recorded to net sales and cost of goods sold in the period of change. Certain firm commitments for live cattle purchases and all firm commitments for boxed beef sales are purchased in the normal course of business and are treated as normal purchases and sales and not recorded at fair value.

The Company enters into certain commodity derivatives, primarily with a diversified group of counterparties. The maximum amount of loss due to the credit risk of the counterparties, should the counterparties fail to perform according to the terms of the contracts, is deemed to be immaterial as of December 27, 2025 and December 28, 2024. The exchange-traded contracts have been entered into under a master netting agreement. None of the derivatives entered into have credit-related contingent features.

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The following table presents the fair values regarding derivative instruments not designated as hedging instruments as of December 27, 2025 and December 28, 2024 (in thousands):

	Derivative Asset As of December 27, 2025		Derivative Liability As of December 27, 2025	
	Balance Sheet		Balance Sheet	
	Location	Fair Value	Location	Fair Value
Commodity contracts	Other current assets	\$ 1,339	Other accrued expenses and liabilities	\$ 547
Totals		<u>\$ 1,339</u>		<u>\$ 547</u>
	Derivative Asset As of December 28, 2024		Derivative Liability As of December 28, 2024	
	Balance Sheet		Balance Sheet	
	Location	Fair Value	Location	Fair Value
Commodity contracts	Other current assets	\$ 679	Other accrued expenses and liabilities	\$ 655
Totals		<u>\$ 679</u>		<u>\$ 655</u>

The following table presents the unrealized and realized gains (losses) on derivative contracts as reflected in the consolidated statement of operations for the fiscal years ended December 27, 2025, December 28, 2024 and December 30, 2023 (in thousands):

	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives		
		Fiscal Year Ended December 27, 2025	Fiscal Year Ended December 28, 2024	Fiscal Year Ended December 30, 2023
Derivatives Not Designated as Hedging Instruments				
Commodity contracts	Net sales	\$ 36,298	\$ 10,029	\$ 15,067
Commodity contracts	Cost of sales	(8,219)	1,417	(1,694)
Totals		<u>\$ 28,079</u>	<u>\$ 11,446</u>	<u>\$ 13,373</u>

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NOTE 10. LEGAL PROCEEDINGS AND CONTINGENCIES

The Company is a defendant in (i) five putative class action lawsuits in the United States District Court for the District of Minnesota alleging that the Company violated some combination of the Sherman Antitrust Act, the Packers and Stockyards Act, the Commodity Exchange Act, and various state laws; and (ii) putative class action antitrust lawsuits in the Supreme Court of British Columbia and the Superior Court of Quebec for the District of Montreal, alleging that it violated the Canadian Competition Act and various provincial laws (the “Beef Antitrust Cases”). The Beef Antitrust Cases are entitled In re Cattle Antitrust Litigation, which was filed originally on April 23, 2019, Peterson et al. v. JBS USA Food Company Holdings, et al., which was filed originally on April 26, 2019; In re DPP Beef Litigation, which was filed originally on April 26, 2019; Erbert & Gerbert’s, Inc. v. JBS USA Food Company Holdings, et al., which was filed originally on June 18, 2020; Specht v. Tyson Foods, Inc., et al., which was filed originally on October 31, 2022; Giang Bui v. Cargill, Incorporated, et al., which was filed originally on February 18, 2022; and Sylvie De Bellefeuille v. Cargill, Inc. et al., which was filed originally on March 24, 2022. Since the original class action complaints were filed, thirty-one (31) purchasers of beef products have opted to file individual complaints and to proceed with direct actions making similar claims, and others may do so in the future. The plaintiffs in the Beef Antitrust Cases generally seek treble damages and other relief under the Sherman Antitrust Act and various state antitrust or consumer protection laws or general damages, aggravated, exemplary, and punitive damages, injunctive relief, costs, and interest and other damages under the Canadian Competition Act and various provincial laws. Some of the Beef Antitrust Cases also allege that the Company violated the Packers & Stockyards Act and the Commodities Exchange Act. The Company entered settlements on the Canadian class actions in fiscal year 2025, has paid the settlement amounts into escrow, and is awaiting final court approvals of the settlement. On the remaining US class actions, The Company believes it has meritorious defenses to the claims in the Beef Antitrust Cases and intends to defend these matters vigorously. There can be no assurances, however, as to the outcome of the cases or the impact on NBP’s consolidated financial position, results of operation or cash flows.

In addition to the beef antitrust litigation, the Company has been subject to a civil investigation by the United States Department of Justice and approximately 30 state attorneys general regarding industry cattle procurement and other industry practices. The Company has responded to the federal and state requests for information and cooperated with the investigations. In September of 2025 the Company was notified the DOJ was closing its investigation, and then in November of 2025 the DOJ initiated a new civil antitrust investigation. The Company is currently working with the DOJ to define any new information being requested by the agency, and the Company is cooperating with this new investigation. The Company believes that it has not engaged in any conduct that would give rise to an antitrust claim, and that it has meritorious defenses to any potential claims arising from a government investigation. There can be no assurances, however, as to the outcome of these investigations or the impact on the Company’s consolidated financial position, results of operation or cash flows.

The Company is a defendant in a putative class action lawsuit entitled Brown, et al. v. JBS USA Food Company et al. and filed in the United States District Court for the District of Colorado on November 1, 2022. The defendants filed motions to dismiss, which the court denied except as to the Company’s subsidiary, Iowa Premium. The plaintiffs filed an amended complaint on January 12, 2024. The amended complaint alleges that the defendants directly and through industry wage surveys and a benchmarking service (i) fixed wages and benefits, and (ii) exchanged information regarding compensation and benefits in an effort to depress and stabilize wages and benefits in violation of federal antitrust laws (the “Wage Rate Case”). The plaintiffs seek, among other things, treble monetary damages, pre- and post-judgment interest, declaratory and injunctive relief and the costs of the suit (including attorney fees). Although the Company believes that it has strong meritorious defenses to the claims in these cases and would defend against this litigation vigorously if it went to trial, the Company entered into a settlement agreement with the plaintiffs for \$14,200,000 that was preliminarily approved by the District Court on January 15, 2025. The Company had paid the settlement amount into escrow and is awaiting final court approvals.

NOTE 11. SUBSEQUENT EVENTS

The Company evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through February 18, 2026, the date the consolidated financial statements were available for issuance and determined there were no such events to report.

