



Open a World of Goodness®

March 16, 2021



Supplemental Earnings Presentation | 4Q20

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In this presentation, Whole Earth Brands relies on and refers to information and statistics regarding the sectors in which it competes and other industry data. The Company obtained this information and statistics from third-party sources, including reports by market research firms. The Company has supplemented this information where necessary with information from its own internal estimates, taking into account publicly available information about other industry participants and its management’s best view as to information that is not publicly available. The Company has not independently verified the accuracy or completeness of any such third-party information.

USE OF NON-GAAP FINANCIAL MEASURES

This Presentation includes non-GAAP financial measures which do not conform to SEC Regulation S-X in that it includes financial information (including Adjusted EBITDA, Adjusted Gross Profit Margin, free cash flow, Free Cash Flow Margin and CAPEX) not derived in accordance with GAAP. Accordingly, such information is adjusted and presented differently in Whole Earth Brands’ proxy statement/prospectus filed with the SEC. Whole Earth Brands believes that the presentation of non-GAAP measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. Other companies may calculate non-GAAP measures differently, and therefore Whole Earth Brands’ respective non-GAAP measures may not be directly comparable to similarly titled measures of other companies. The Company cannot reconcile forward looking Adjusted EBITDA projections to net income without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time. These items include, but are not limited to, share-based compensation expense, impairment of assets, acquisition-related charges and COVID-19 related expenses. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period. The Company cannot reconcile its expected Adjusted Gross Profit Margin to Gross Profit Margin under “Outlook” without unreasonable effort because certain items that impact Gross Profit Margin and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time. These items include, but are not limited to, share-based compensation expense, impairment of assets, acquisition-related charges and COVID-19 related expenses. These items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period.

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IMPACT OF STRATEGIC
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CATEGORY & BRAND
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WHOLE
EARTH

Swerve

PURE
VIA

Wholesome

Canderel

equal

Mafco
Rooted in the Science of Excellent Taste

WHOLE
EARTH
BRANDS

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Our VISION

Helping people
enjoy life's everyday
moments and the
celebrations that
bring us together

Our MISSION

Enabling healthier
lifestyles and providing
access to high-quality
plant-based sweeteners,
flavor enhancers and
other foods through
our diverse portfolio of
trusted brands and
delicious products

Market Leading Brands and Product Platform for Today's Consumer







	Branded CPG		Flavors & Ingredients
	Sweeteners	Adjacencies	
Products	Sugar-substitutes and Natural sweeteners		Natural licorice extract and derivative products utilized in the consumer products industry for flavor enhancement, masking and other benefits
Brands	     		
Common Uses	<p>BAKING</p>    <p>BEVERAGE & FOOD CONSUMPTION</p>        		

Source: Company Materials

Our Brands are Recognized by Consumers Worldwide

Brand Presence in Whole Earth Brands' Top 7 markets

In order from largest to smallest (sales by country, based on 2020 results)

Brand	Awareness ²	U.S.	France	U.K.	Australia	Argentina	South Africa	Thailand
Share Rank ¹ >		#4	#1	#1	#1	#2	#1	#1
	12%	✓			✓			
	48 - 50%		✓	✓				
	7%	✓						
	8%	✓						
	75 - 90%	✓			✓	✓	✓	✓
	80 - 90%		✓	✓			✓	

¹ Nielsen retail data, XAOC L52W through 12/26/2020

² UK data from 2018 Dig Insights study. U.S. and France data from 2018 Brand Health Tracking Study; Australia data from 2018 Colmar Brunton report; South Africa data from TNS report 2014; Argentina Estudio Nora Reyes report 2017; L.E.K. management data for Swerve

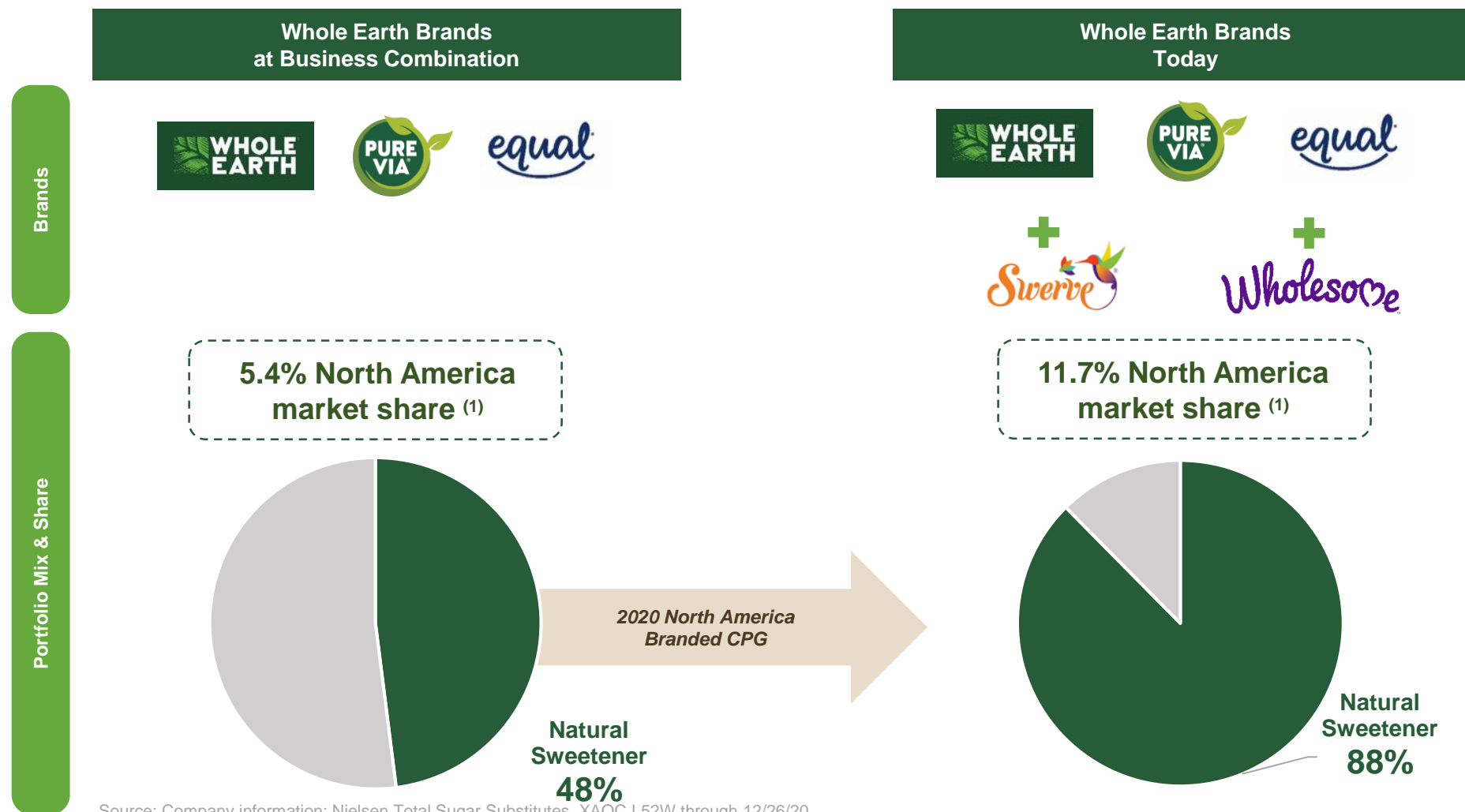
Recent Acquisitions Strengthen Market Leadership



1. Highly complementary business that provides portfolio diversification and whitespace opportunity with a focus on baking
2. Enhances scale and growth of Whole Earth Brands in natural sweeteners in North America
3. Expanded shelf presence allows for increased category management of the aisle for retailers
4. Wholesome fair trade certified and sustainable sourcing
5. Diverse brand portfolio and customers create financial flexibility and high free cash flow conversion

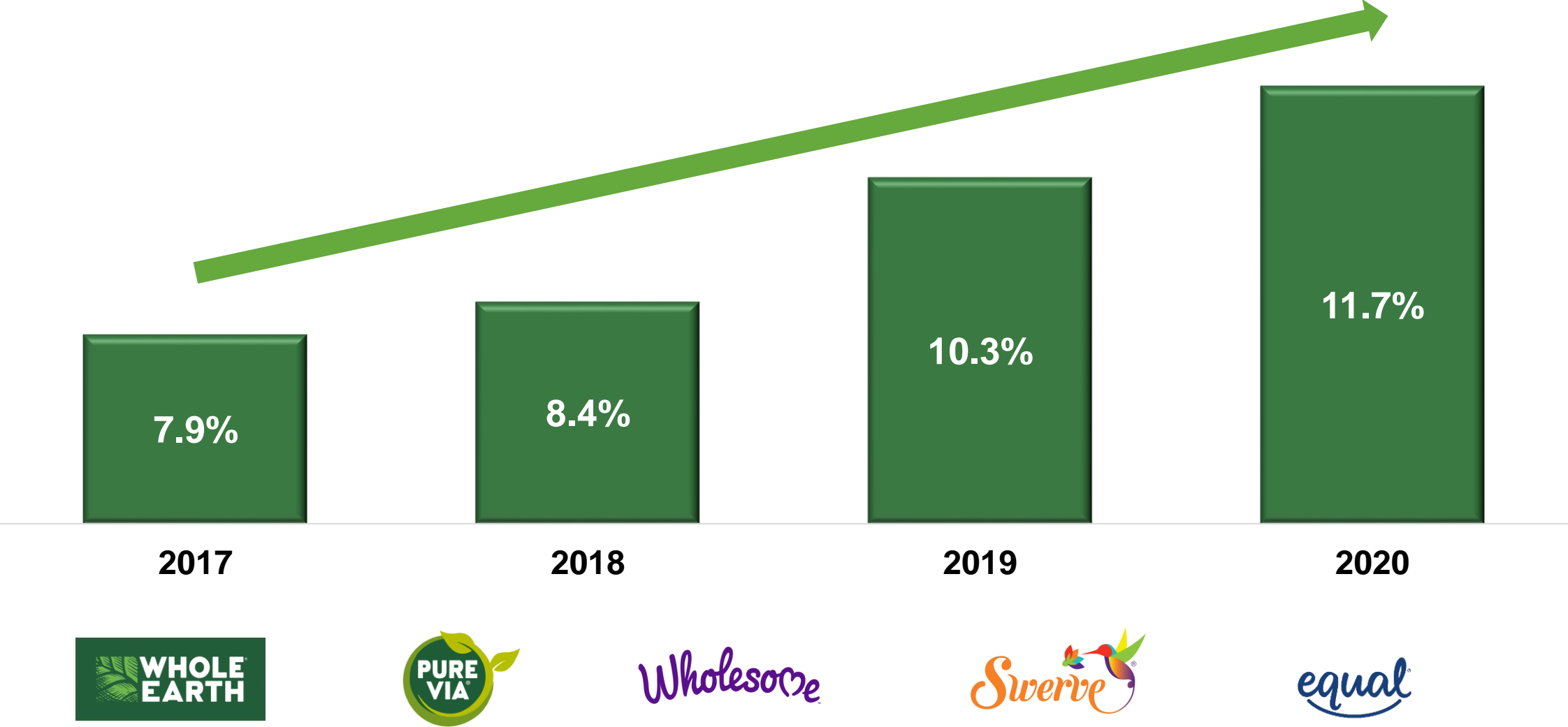
Acquisitions' Significant Impact on Whole Earth Brands

Acquisitions of Swerve and Wholesome doubles North American market share and significantly increases Whole Earth Brands' portfolio mix towards natural sweeteners



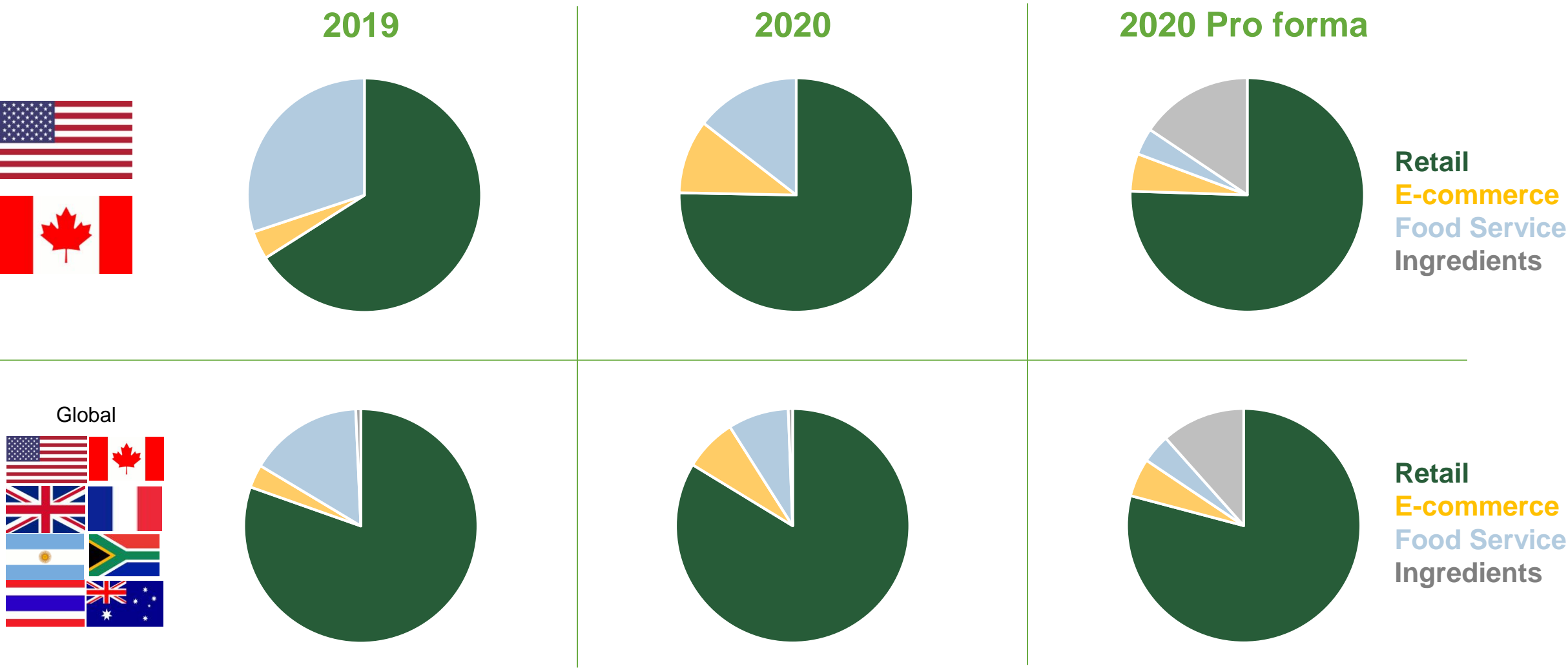
Source: Company information; Nielsen Total Sugar Substitutes, XAOC L52W through 12/26/20

Whole Earth Brands Building North America Pro Forma Market Share from 2017 to 2020



Note: These shares represent pro forma shares as the Company owned Swerve and Wholesome from January 1, 2017 through December 31, 2020. Source: Nielsen XAOC through 12/26/20.

Branded CPG Product Revenues by Distribution Channel

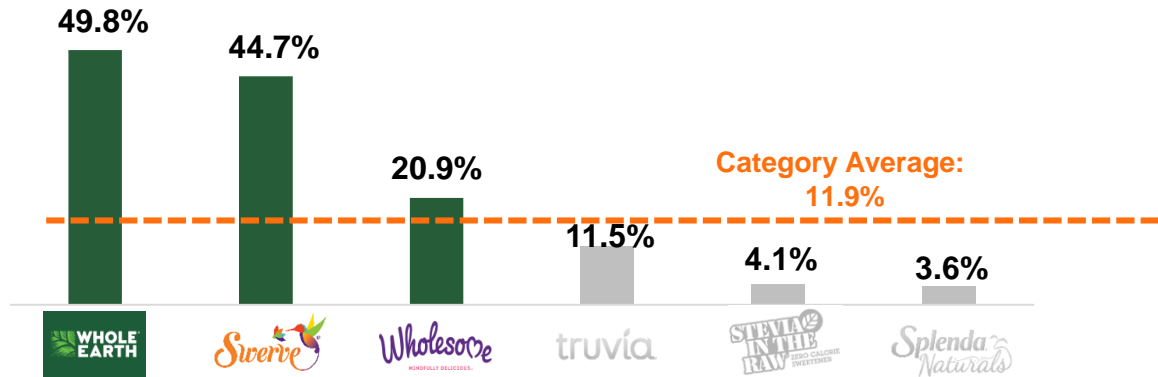


Source: Company data; Pro forma represents Wholesome and Swerve as if they were purchased on January 1, 2020.

Attractive Category Growth and Increased Distribution Opportunities

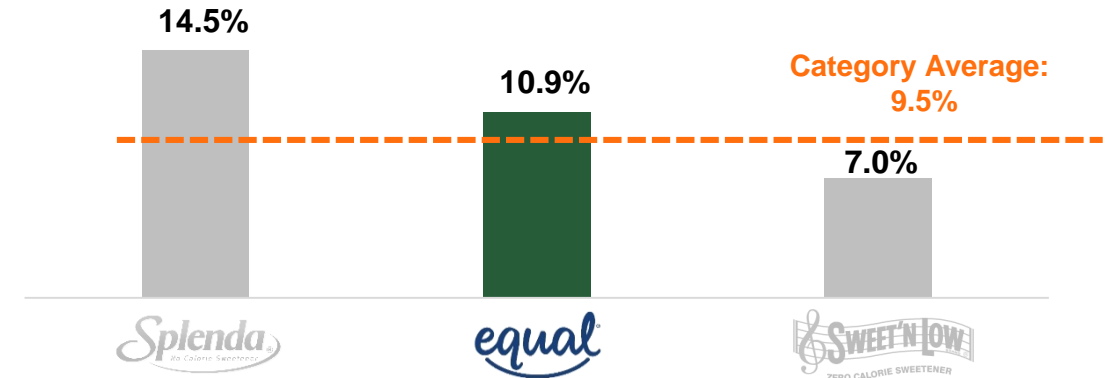
Natural Sweeteners Sales Growth

(Dollar Vol. % Change)

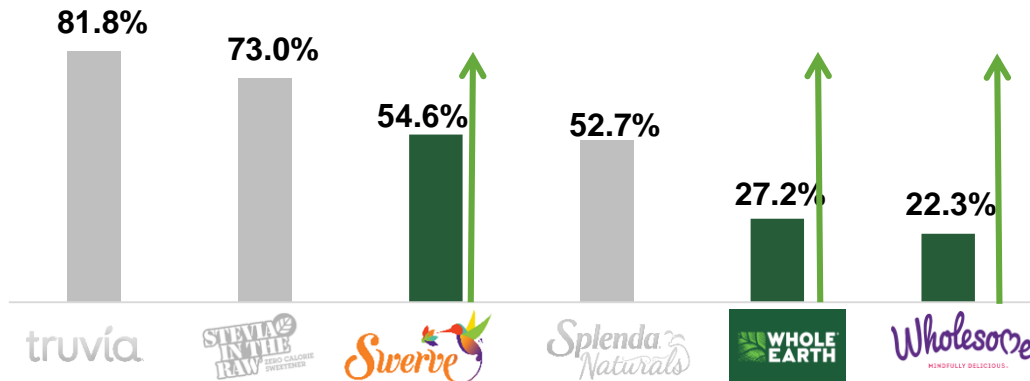


Traditional Low Calorie Sweeteners Sales Growth

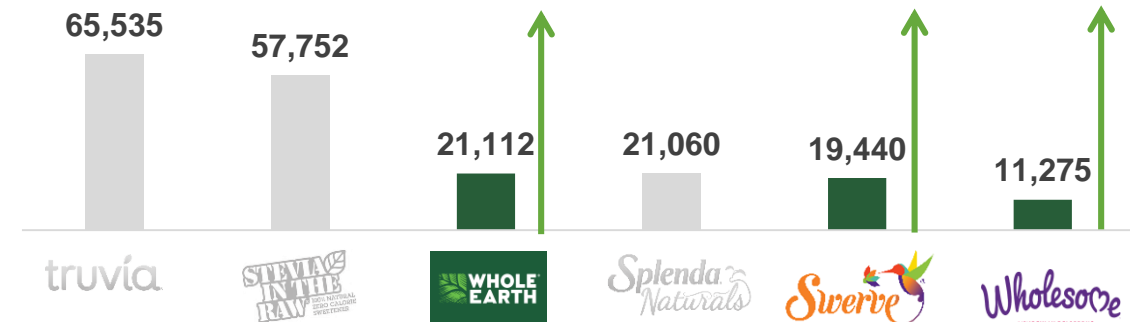
(Dollar Vol. % Change)



ACV Growth Opportunity in Natural Sweeteners



of Stores Growth opportunity in Natural Sugar Substitutes



Sources: (1) U.S. Nielsen Sugar Substitutes (low calorie sweeteners, agave) XAOC L52W through 12/26/20 for all data except Wholesome;
 (2) Wholesome data is U.S. Total Sweeteners Category (sugar, honey, agave, syrups, low calorie sweeteners) SPINS MULO L52W through 12/27/20

Leading Brands in a \$14B+ Addressable Market



Significant opportunity in large adjacent addressable markets such as better-for-you chocolates, bars, jams, spreads.

Source: Company Materials

Note: The above illustration includes select products

¹ Management estimate. Represents total U.S. sweetener market including sugar, honey and sugar substitutes (i.e. agave, low calorie, etc.)

² SPINS L52W as of 12/27/2020: MULO + Natural + Specialty Gourmet, Shelf Stable Baking Mix & Ingredients & Flour, Shelf Stable Sweeteners. "Natural Sugars used in Baking" is excluded from the \$7B market size estimate

and denote products added to WEB's portfolio through the Swerve and Wholesome acquisitions, respectively

Category Benefits from Trends in Global Beverage Consumption and In-Home Baking



Coffee and tea consumption continues mid-to-high single digit growth¹



Baking accounts for 50% of worldwide sugar consumption



47%²

are looking for ways to cook healthier



46%²

of consumers are baking more post COVID-19

Source: Euromonitor, LMC

¹ Coffee and tea are the most common applications for low calorie sweeteners. Coffee and tea are primarily self sweetened; therefore, as consumption increases, sweetener demand is expected to increase accordingly

² Food Navigator-usa.com, Survey: Cooking more at home could become the new normal post-pandemic

Branded CPG North America Natural Product Portfolio



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Branded CPG Innovation Platforms

BRAND STRATEGY

Accelerate Natural
growth

Evolve Heritage
Brands

Beyond Low Calorie
Sweeteners



CONSUMER INSIGHTS

Health and
wellness trends

Growing free-
from category

Better-for-you
sweeteners
gaining share

Increasing
demand for low
calorie products

New Product
Innovation and
Secular Trends



INNOVATION STRATEGY

Natural



Baking



Added Benefits



Adjacencies



1. Euromonitor, 2. Nielsen US xAOC L52W as of 11/21/2020, 3. SPINS Natural

Long-Standing Flavors & Ingredients Customer Base with Strong Exposure to Growing End-Markets

Continue to increase accounts with exposure to high-growth categories

Consumer Packaged Goods

HARIBO

Mondelēz International

HERSHEY'S

Over-The-Counter

BAYER

Flintstones

Pharmstandard

Phosphogliv

rb

Reckitt Benckiser

Mucinex

Beauty & Personal Care

takiwa
PHYTOCHEMICAL

Sells to:

SHISEIDO

kao

Stable growth in core accounts

Key North American Customers	
Company	Length of Relationship
 Altria	> 20 years
 RJ Reynolds	> 20 years
 itg BRANDS	> 20 years
 IFF	> 20 years
 Flavor PRODUCERS	> 10 years

Source: Company Materials

MagnaSweet Expands to Category-Specific, Magna-Branded Products

Innovations in licorice products better address customer needs across diverse end-markets, including Food & Beverage and Over-the-Counter Pharma

Magna-Brands

Product Attributes



MagnaPharma™

Masks even the most challenging pharmaceutical application flavor issues

MagnaTaste™

Capture and enhance the magnificent taste and mouthfeel of your products

MagnaProteinMask™

Provides optimized taste and mouthfeel, in all forms of protein

MagnaB-Block™

Caffeine and all other sources of “bitter” don’t stand a chance

MagNaBoost™

Supports overall sodium-reduction, by amplifying salty & umami taste

MagnaSweet®

Reduce sugars, amplify natural tasting sweetness and improve flavor

FINANCIAL HIGHLIGHTS



Q4 and Full Year 2020 Highlights

Q4

- Branded CPG delivered 12.0% organic revenue growth, driven by:
 - Strong performance in North America led by Whole Earth sweeteners
 - Continued strong momentum in Europe
- Adjusted EBITDA was \$14.0 million and increased 5.8%, driven by:
 - Strong Branded CPG growth
 - Offset by increases in SG&A due to public company costs and timing of marketing spend
- Free Cash Flow generation was \$0.9 million
- Flavors & Ingredients revenues declined by 13.9%, driven by:
 - Primarily shipment phasing between Q3 and Q4

Full Year

- Branded CPG delivered 4.5% organic revenue growth, reflective of the strength of the sugar substitute category and share gains
 - Retail growth of 9.6% driven by very strong gains in e-commerce, which offset food service channel declines
 - Whole Earth brand sweetener growth doubled versus 2019
- Revenue and Adjusted EBITDA of \$275.5 million and \$54.5 million, respectively.
 - Excluding public company costs of \$3.9 million, Adjusted EBITDA grew 3%
- Free Cash Flow was \$2.4 million
 - Net of \$8 million Capex and \$30 million non-recurring charges
- Flavors & Ingredient revenues declined 7.9%, driven entirely by:
 - A one-time customer loss in the international business. Excluding this impact, the business grew slightly
- Strategic M&A transactions:
 - Closed Swerve on November 10, 2020
 - Closed Wholesome subsequent to Q4 end on February 5, 2021

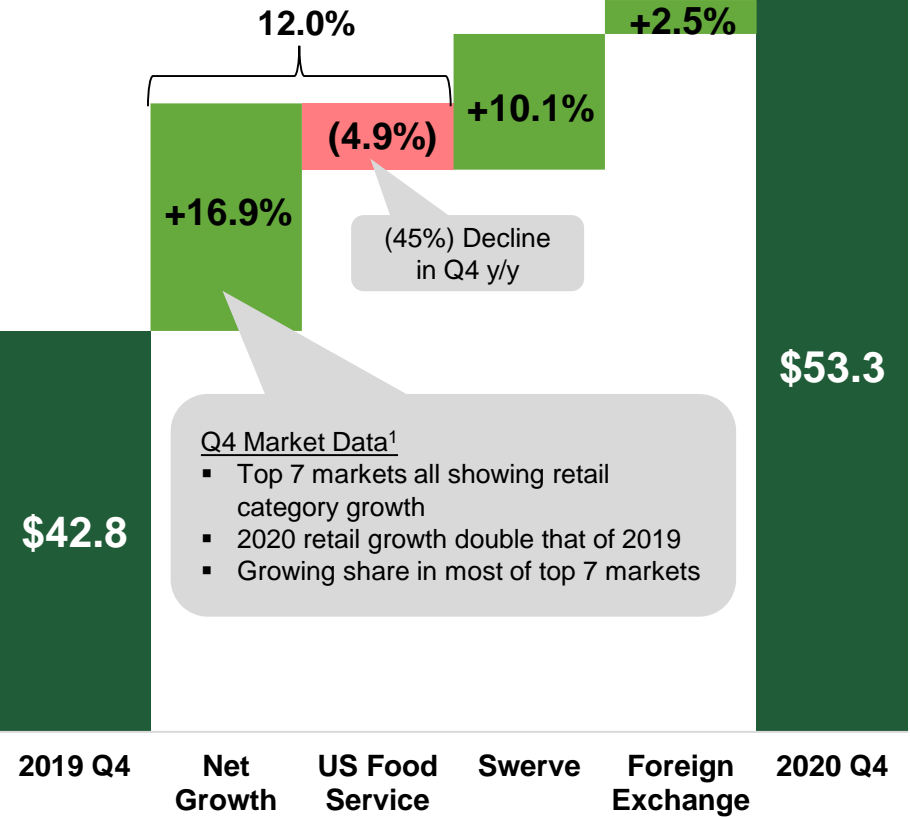
Source: Company data



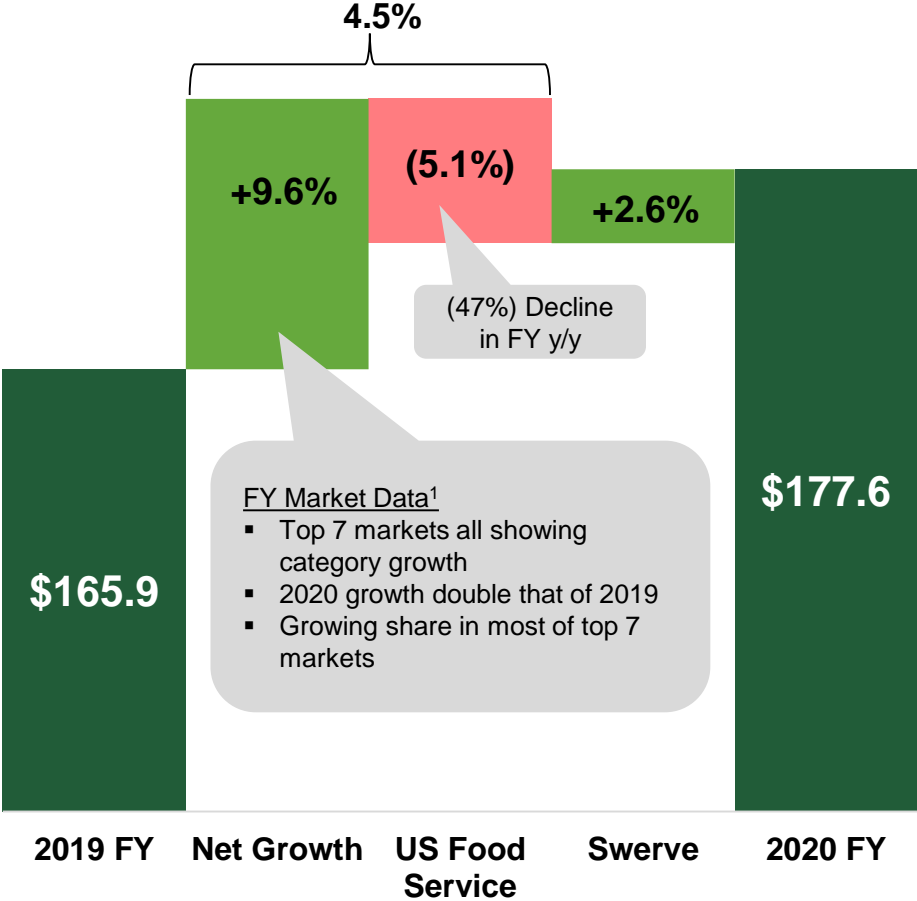
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Branded CPG Segment Revenue Performance

Q4



Full Year

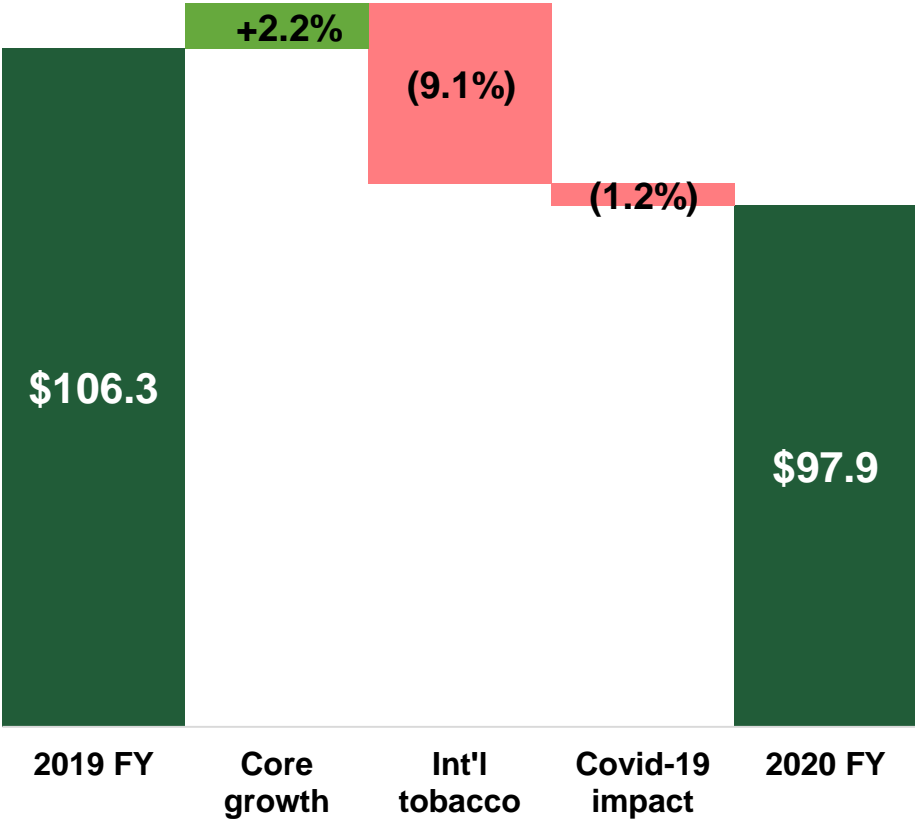
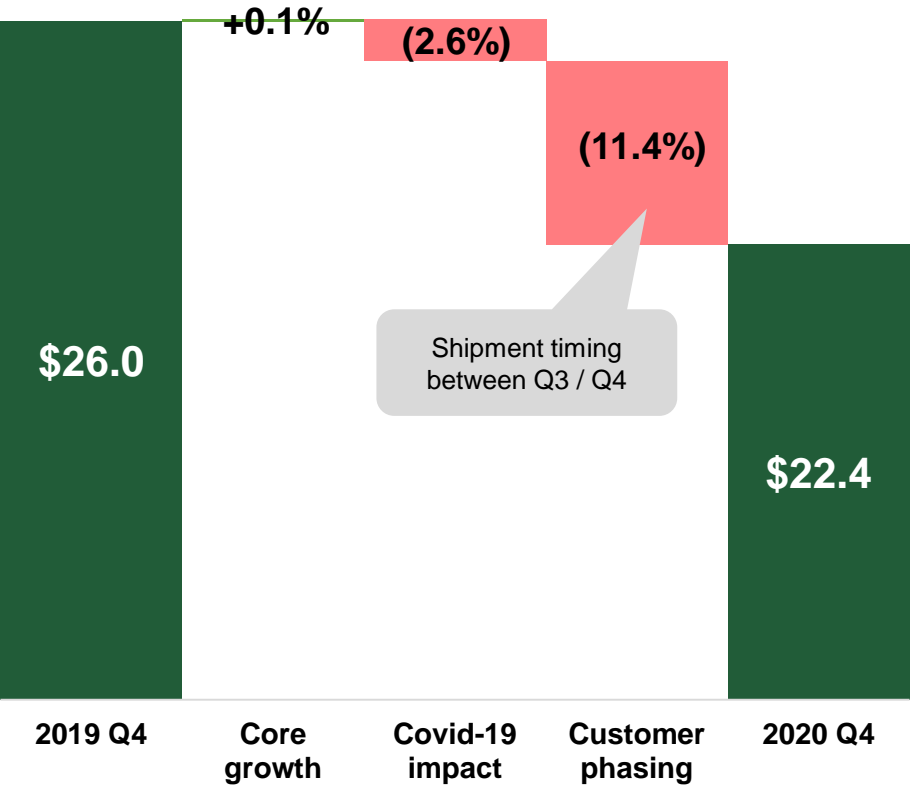


¹Nielson Total Sugar Substitutes, XAOC L52 through 12/26/20

Flavors & Ingredients Segment Revenue Performance

Q4

Full Year



Source: Company data

Q4 2020 vs. Q4 2019 Adjusted EBITDA Reconciliation

\$ in Thousands

	Three Months Ended December 31, 2019				Three Months Ended December 31, 2020				Change vs. 2019
	GAAP	Non-cash adj. ⁽¹⁾	Cash adj.	Adjusted EBITDA	GAAP	Non-cash adj. ⁽¹⁾	Cash adj.	Adjusted EBITDA	
Product revenues, net	\$ 68,769	\$ -	\$ -	\$ 68,769	\$ 75,688	\$ -	\$ -	\$ 75,688	10.1%
Cost of goods sold	42,597	(794)	(1,307)	40,496	50,520	(5,035)	(1,445)	44,040	8.8%
Gross profit	26,172	794	1,307	28,273	25,168	5,035	1,445	31,648	11.9%
<i>Gross profit margin %</i>	<i>38.1%</i>	-	-	<i>41.1%</i>	<i>33.3%</i>	-	-	<i>41.8%</i>	<i>0.7%</i>
Selling, general and administrative expenses	16,876	(1,178)	(651)	15,047	27,789	(1,091)	(9,040)	17,658	17.4%
Amortization of intangible assets	2,756	(2,756)	-	-	3,180	(3,180)	-	-	-
Asset impairment charges	-	-	-	-	-	-	-	-	-
Restructuring and other non-recurring expenses	1,043	-	(1,043)	-	1,052	-	(1,052)	-	-
Operating income	\$ 5,497	\$ 4,728	\$ 3,001	\$ 13,226	\$ (6,853)	\$ 9,306	\$ 11,537	\$ 13,990	5.8%
<i>Operating margin %</i>	<i>8.0%</i>	-	-	<i>19.2%</i>	<i>(9.1%)</i>	-	-	<i>18.5%</i>	<i>(0.7%)</i>

⁽¹⁾ Non-cash adjustments including: depreciation, amortization of intangibles, purchase accounting adjustments, asset impairment charges, non cash pension expenses and long term incentives

2020 vs. 2019 Adjusted EBITDA Reconciliation

\$ in Thousands

	Twelve Months Ended December 31, 2019				Twelve Months Ended December 31, 2020				Change vs. 2019
	GAAP	Non-cash adj. ⁽¹⁾	Cash adj.	Adjusted EBITDA	GAAP	Non-cash adj. ⁽¹⁾	Cash adj.	Adjusted EBITDA	
Product revenues, net	\$ 272,123	\$ -	\$ -	\$ 272,123	\$ 275,496	\$ -	\$ -	\$ 275,496	1.2%
Cost of goods sold	163,634	(3,023)	(4,299)	156,313	179,212	(15,868)	(3,622)	159,722	2.2%
Gross profit	108,489	3,023	4,299	115,810	96,284	15,868	3,622	115,774	(0.0%)
<i>Gross profit margin %</i>	<i>39.9%</i>	-	-	<i>42.6%</i>	<i>34.9%</i>	-	-	<i>42.0%</i>	<i>(0.5%)</i>
Selling, general and administrative expenses	65,896	(2,767)	(4,218)	58,910	87,971	(1,458)	(25,277)	61,236	3.9%
Amortization of intangible assets	10,724	(10,724)	-	-	10,948	(10,948)	-	-	-
Asset impairment charges	-	-	-	-	40,600	(40,600)	-	-	-
Restructuring and other non-recurring expenses	2,193	-	(2,193)	-	1,052	-	(1,052)	-	-
Operating income	\$ 29,676	\$ 16,514	\$ 10,710	\$ 56,900	\$ (44,287)	\$ 68,873	\$ 29,951	\$ 54,537	(4.2%)
<i>Operating margin %</i>	<i>10.9%</i>	-	-	<i>20.9%</i>	<i>(16.1%)</i>	-	-	<i>19.8%</i>	<i>(1.1%)</i>

⁽¹⁾ Non-cash adjustments including: depreciation, amortization of intangibles, purchase accounting adjustments, asset impairment charges, non cash pension expenses and long term incentives

2020 Cash Flow Summary

Free cash flow of \$32.4 million delivered in 2020, excluding one-off related items

Cash Flow from Operations, net of Capex	\$ Millions
Net (loss) income	(\$42.6)
Stock-based compensation	\$1.3
Depreciation and Amortization	\$13.9
Asset impairment charge	\$40.6
Amortization of inventory fair value adjustments	\$12.6
Deferred income taxes	(\$8.4)
Change in Net Working Capital	(\$4.7)
Other	(\$2.2)
Net cash from operations	\$10.5
Capex	(\$8.0)
Free cash flow	\$2.4

Free Cash Flow Presentation	\$ Millions
Adjusted EBITDA	\$54.5
Cash Taxes	(\$5.4)
Interest paid	(\$4.1)
NWC ▲ and Other	(\$4.6)
Capex	(\$8.0)
Free cash flow	\$32.4
Cash related addbacks ¹	(\$18.3)
Transaction bonuses	(\$11.7)
Free cash flow	\$2.4

¹Includes public company readiness, M&A transaction costs, severance and other one-off items included in the Adjusted EBITDA reconciliation; see definitions of the Company's non-GAAP Financial Measures

2021 Guidance

Revenue and Adjusted EBITDA guidance reflects 3 – 5% proforma organic growth

	Full Year 2021
\$ Millions	Total Whole Earth Brands
Revenue	\$493 – \$505
Adjusted EBITDA	\$82 – \$85
Adjusted Gross Profit Margin	34% - 35%
Adjusted EBITDA Margin	~17%
Capex	\$10 – \$12
Tax Rate	~23%

Growth vs. 2020	
Proforma Organic Growth ⁽¹⁾	Reported Growth
3 – 5%	>78%
3 – 5%	>50%

Key assumptions / considerations:

- Reflects Wholesome ownership as of Feb 6, 2021
- Approximately \$6 million of \$9 million total WEB pro forma benefits included in Adjusted EBITDA
- Gross Profit Margin and Adjusted EBITDA Margin reflect Wholesome's Private Label and Ingredients businesses
- Full year public company costs increasing by approximately \$3.6 million (approximately \$7.5 million in total)
- Approximate \$4 million impact from cash bonus program; approximately \$2 million of annual bonuses will be paid in stock for 2021 for 2021 bonus plan to senior management
- Assumes \$1.4 million of Swerve synergies
- Capex reflects approximately \$5 million associated with Flavors & Ingredients footprint optimization project.
- We expect approximately \$15 million of cash addbacks in 2021, related to M&A, public company readiness, footprint optimization and synergy delivery.

⁽¹⁾ The Company defines proforma organic growth to be as if the Company owned both Swerve and Wholesome for the full years 2020 and 2021.

3 to 5 Year Growth Algorithm

	Long-Term Algorithm
Product Revenue Growth	Mid single digit organic growth through the cycle <ul style="list-style-type: none"> Driven by distribution gains, geographic expansion, and continued innovation Accelerated by tuck-in acquisitions
Adjusted EBITDA ¹	Mid to High single digit growth <ul style="list-style-type: none"> Accelerated by accretive and synergistic tuck-in acquisitions Margins of 17% to 19% <ul style="list-style-type: none"> Operational leverage from existing footprint and SG&A platform
Adjusted Gross Profit Margin	Gross Profit Margins of 34% to 36%
Capex	3 to 5 year view of CAPEX, approximating ~1.5% of product revenues <ul style="list-style-type: none"> Asset-light business model Temporary acceleration of spend in 2020 associated with manufacturing footprint optimization project
Tax Rate	Approximately 23%

¹ See non-GAAP definitions in the appendix of this presentation



Appendix

Consolidated Statement of Cash Flows

\$ in Thousands

	(Successor)	(Predecessor)		
	From June 26, 2020 to December 31, 2020	From January 1, 2020 to June 25, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities				
Net (loss) income	\$ (8,437)	\$ (34,136)	\$ 30,812	\$ 20,841
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Stock-based compensation	1,262	—	—	—
Depreciation	1,652	1,334	3,031	3,591
Amortization of intangible assets	6,021	4,927	10,724	11,111
Deferred income taxes	(2,842)	(5,578)	(10,500)	(6,060)
Asset impairment charges	—	40,600	—	—
Pension	(169)	126	(1,648)	1,658
Amortization of inventory fair value adjustments	12,613	—	—	—
Changes in current assets and liabilities:				
Accounts receivable	(4,554)	7,726	1,311	2,488
Inventories	(5,305)	3,576	2,004	(692)
Prepaid expenses and other current assets	(2,066)	3,330	(3,097)	236
Accounts payable, accrued liabilities and income taxes	(7,939)	507	(3,057)	269
Other, net	319	(2,504)	2,085	362
Net cash (used in) provided by operating activities	(9,445)	19,908	31,665	33,804

	(Successor)	(Predecessor)		
	From June 26, 2020 to December 31, 2020	From January 1, 2020 to June 25, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Investing activities				
Capital expenditures	(4,489)	(3,532)	(4,037)	(4,039)
Acquisitions, net of cash acquired	(456,508)	—	—	—
Proceeds from sale of fixed assets	—	—	—	1,858
Transfer from trust account	178,875	—	—	—
Net cash used in investing activities	(282,122)	(3,532)	(4,037)	(2,181)
Financing activities				
Proceeds from revolving credit facility	47,855	3,500	1,500	7,500
Repayments of revolving credit facility	—	(8,500)	—	(600)
Long-term borrowings	140,000	—	—	—
Repayments of long-term borrowings	(3,500)	—	—	—
Debt issuance costs	(7,139)	—	—	—
Proceeds from sale of common stock and warrants	75,000	—	—	—
Funding to Parent, net	—	(11,924)	(25,442)	(35,432)
Net cash provided by (used in) financing activities	252,216	(16,924)	(23,942)	(28,532)
Effect of exchange rate changes on cash and cash equivalents	714	215	(496)	(24)
Net change in cash and cash equivalents	(38,637)	(333)	3,190	3,067
Cash and cash equivalents, beginning of period	55,535	10,395	7,205	4,138
Cash and cash equivalents, end of period	\$ 16,898	\$ 10,062	\$ 10,395	\$ 7,205
Supplemental disclosure of cash flow information				
Interest paid	\$ 3,328	\$ 798	\$ —	\$ —
Taxes paid, net of refunds	\$ 3,110	\$ 2,244	\$ 4,571	\$ 5,175

Product Revenues, Net Constant Currency and Organic growth

\$ in Thousands	Three Months Ended December 31,							
	\$ change					% change		
				<u>Constant</u>	<u>Foreign</u>			
	<u>2020 ⁽¹⁾</u>	<u>2019</u>	<u>Reported</u>	<u>Dollar</u>	<u>Exchange ⁽²⁾</u>	<u>Reported</u>	<u>Constant</u>	<u>Foreign</u>
<u>Product revenues, net</u>								
Branded CPG	\$ 53,300	\$ 42,765	\$ 10,535	\$ 9,455	\$ 1,080	24.6%	22.1%	2.5%
Flavors & Ingredients	\$ 22,388	\$ 26,004	\$ (3,616)	\$ (3,616)	\$ -	-13.9%	-13.9%	0.0%
Combined	\$ 75,688	\$ 68,769	\$ 6,919	\$ 5,839	\$ 1,080	10.1%	8.5%	1.6%
Swerve acquisiton	\$ 4,320	\$ -	\$ 4,320	\$ 4,320	\$ -	nm	nm	nm
<u>Organic Product revenues, net</u>								
Branded CPG	\$ 48,980	\$ 42,765	\$ 6,215	\$ 5,135	\$ 1,080	14.5%	12.0%	2.5%
Flavors & Ingredients	\$ 22,388	\$ 26,004	\$ (3,616)	\$ (3,616)	\$ -	-13.9%	-13.9%	0.0%
Combined	\$ 71,368	\$ 68,769	\$ 2,599	\$ 1,519	\$ 1,080	3.8%	2.2%	1.6%

\$ in Thousands	Twelve Months Ended December 31,							
	\$ change					% change		
				<u>Constant</u>	<u>Foreign</u>		<u>Constant</u>	<u>Foreign</u>
<u>Product revenues, net</u>	<u>2020 ⁽¹⁾</u>	<u>2019</u>	<u>Reported</u>	<u>Dollar</u>	<u>Exchange ⁽²⁾</u>	<u>Reported</u>	<u>Dollar</u>	<u>Exchange</u>
Branded CPG	\$ 177,606	\$ 165,863	\$ 11,743	\$ 11,703	\$ 40	7.1%	7.1%	0.0%
Flavors & Ingredients	<u>\$ 97,890</u>	<u>\$ 106,260</u>	<u>\$ (8,370)</u>	<u>\$ (8,370)</u>	<u>\$ -</u>	<u>-7.9%</u>	<u>-7.9%</u>	<u>0.0%</u>
Combined	\$ 275,496	\$ 272,123	\$ 3,373	\$ 3,333	\$ 40	1.2%	1.2%	0.0%
Swerve acquisiton	\$ 4,320	\$ -	\$ 4,320	\$ 4,320	\$ -	nm	nm	nm
<u>Organic Product revenues, net</u>								
Branded CPG	\$ 173,286	\$ 165,863	\$ 7,423	\$ 7,383	\$ 40	4.5%	4.5%	0.0%
Flavors & Ingredients	<u>\$ 97,890</u>	<u>\$ 106,260</u>	<u>\$ (8,370)</u>	<u>\$ (8,370)</u>	<u>\$ -</u>	<u>-7.9%</u>	<u>-7.9%</u>	<u>0.0%</u>
Combined	\$ 271,176	\$ 272,123	\$ (947)	\$ (987)	\$ 40	-0.3%	-0.4%	0.0%

⁽¹⁾ Product revenues, net for the three and twelve months ended December 31, 2020 combine the successor and predecessor periods for better comparability to the 2019 periods.

⁽²⁾ The "foreign exchange" amounts presented, reflect the estimated impact from fluctuations in foreign currency exchange rates on product revenues.

Adjusted EBITDA Reconciliation

\$ in Thousands

	(Successor)		(Predecessor)		
	Three Months Ended December 31, 2020	From June 26, 2020 to December 31, 2020	From January 1, 2020 to June 25, 2020	Three Months Ended December 31, 2019	Twelve Months Ended December 31, 2019
Product revenues, net	75,688	147,168	128,328	68,769	272,123
Net (loss) income	\$ (5,097)	\$ (8,437)	\$ (34,136)	\$ 12,869	\$ 30,812
Benefit for income taxes	(4,312)	(2,618)	(3,482)	(7,694)	(2,466)
Other expense (income), net	346	578	(801)	164	830
Interest expense, net	2,210	4,371	238	158	500
Operating (loss) income	(6,853)	(6,106)	(38,181)	5,497	29,676
Depreciation	855	1,652	1,334	794	3,023
Amortization of intangible assets	3,180	6,021	4,927	2,756	10,724
Asset impairment charges	-	-	40,600	-	-
Purchase accounting adjustments	3,911	12,613	-	-	-
Transaction related expenses	431	1,314	10,348	-	-
Long term incentive plan	1,798	2,155	562	(9)	1,151
Non-cash pension expense	98	130	335	1,178	2,767
Severance and related expenses	425	791	1,105	1,115	1,411
Public company readiness	2,370	4,583	569	-	-
Brand introduction costs	-	229	1,131	885	3,463
Restructuring	1,052	1,052	-	1,043	2,193
M&A transaction expenses	4,985	5,068	-	-	-
Other items	1,739	1,671	634	(34)	2,493
Adjusted EBITDA	\$ 13,990	\$ 31,171	\$ 23,366	\$ 13,226	\$ 56,900

Q4 2019 / Q4 2020 Operating Income Adjustments by P&L line

\$ in Thousands

	Three Months Ended December 31, 2019					
	Cost of Goods Sold	SG&A	Amort. Of Intangibles	Asset impairment	Restructuring	Operating Income
Non-Cash adjustments						
Depreciation	794	-	-	-	-	794
Amortization of intangible assets	-	-	2,756	-	-	2,756
Asset impairment charges	-	-	-	-	-	-
Non-cash pension expense	-	1,178	-	-	-	1,178
Long term incentive plan	-	-	-	-	-	-
Purchase accounting costs	-	-	-	-	-	-
Total non-cash adjustments	794	1,178	2,756	-	-	4,728
Cash adjustments						
Restructuring	-	-	-	-	1,043	1,043
Long term incentive plan	-	(9)	-	-	-	(9)
Transaction related expenses	-	-	-	-	-	-
Severance and related expenses	-	1,115	-	-	-	1,115
Public company readiness	-	-	-	-	-	-
Brand introduction costs	885	-	-	-	-	885
M&A costs	-	-	-	-	-	-
Other items	422	(456)	-	-	-	(34)
Total cash adjustments	1,307	651	-	-	1,043	3,001
Total adjustments	2,101	1,829	2,756	-	1,043	7,729

	Three Months Ended December 31, 2020					
	Cost of Goods Sold	SG&A	Amort. Of Intangibles	Asset impairment	Restructuring	Operating Income
	855	-	-	-	-	855
	-	-	3,180	-	-	3,180
	-	-	-	-	-	-
	-	98	-	-	-	98
	269	993	-	-	-	1,262
	3,911	--	-	-	-	3,911
	5,035	1,091	3,180	-	-	9,306
	-	-	-	-	1,052	1,052
	65	471	-	-	-	536
	-	431	-	-	-	431
	-	425	-	-	-	425
	-	2,370	-	-	-	2,370
	-	-	-	-	-	-
	-	4,985	-	-	-	4,985
	1,380	359	-	-	-	1,739
	1,445	9,040	-	-	1,052	11,537
	6,480	10,131	3,180	-	1,052	20,843

2019 / 2020 Operating Income Adjustments by P&L line

\$ in Thousands

	Twelve Months Ended December 31, 2019					
	Cost of Goods Sold	SG&A	Amort. Of Intangibles	Asset impairment	Restructuring	Operating Income
Non-Cash adjustments						
Depreciation	3,023	-	-	-	-	3,023
Amortization of intangible assets	-	-	10,724	-	-	10,724
Asset impairment charges	-	-	-	-	-	-
Non-cash pension expense	-	2,767	-	-	-	2,767
Long term incentive plan	-	-	-	-	-	-
Purchase accounting costs	-	-	-	-	-	-
Total non-cash adjustments	3,023	2,767	10,724	-	-	16,514
Cash adjustments						
Restructuring	-	-	-	-	2,193	2,193
Long term incentive plan	253	898	-	-	-	1,151
Transaction related expenses	-	-	-	-	-	-
Severance and related expenses	-	1,411	-	-	-	1,411
Public company readiness	-	-	-	-	-	-
Brand introduction costs	3,463	-	-	-	-	3,463
M&A costs	-	-	-	-	-	-
Other items	583	1,910	-	-	-	2,493
Total cash adjustments	4,299	4,218	-	-	2,193	10,710
Total adjustments	7,321	6,986	10,724	-	2,193	27,224

	Twelve Months Ended December 31, 2020					
	Cost of Goods Sold	SG&A	Amort. Of Intangibles	Asset impairment	Restructuring	Operating Income
	2,986	-	-	-	-	2,986
	-	-	10,948	-	-	10,948
	-	-	-	40,600	-	40,600
	-	465	-	-	-	465
	269	993	-	-	-	1,262
	12,613	-	-	-	-	12,613
	15,868	1,458	10,948	40,600	-	68,873
	-	-	-	-	1,052	1,052
	186	1,269	-	-	-	1,455
	433	11,229	-	-	-	11,662
	-	1,897	-	-	-	1,897
	-	5,152	-	-	-	5,152
	1,360	-	-	-	-	1,360
	-	5,068	-	-	-	5,068
	1,643	662	-	-	-	2,305
	3,622	25,277	-	-	1,052	29,951
	19,490	26,735	10,948	40,600	1,052	98,824

Definitions of the Company's Non-GAAP Financial Measures

- **Constant Currency Presentation**: We evaluate the results of our operations on both a reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations, thereby facilitating period-to-period comparisons of our business performance and is consistent with how management evaluates the Company's performance. We calculate constant currency percentages by converting our current period local currency financial results using the prior period exchange rates and comparing these adjusted amounts to our current period reported results.
- **Adjusted EBITDA**: We define Adjusted EBITDA as net income or loss from our consolidated statements of operations before interest income and expense, income taxes, depreciation and amortization, as well as certain other items that arise outside the ordinary course of our continuing operations specifically described below:
 - **Asset impairment charges**: We exclude the impact of charges related to the impairment of goodwill and other long-lived intangible assets. Impairment charges during the calendar year 2020 were incurred only during the predecessor period. We believe that the exclusion of these impairments, which are non-cash, allows for more meaningful comparisons of operating results to peer companies. We believe that this increases period-to-period comparability and is useful to evaluate the performance of the total company.
 - **Purchase accounting adjustments**: We exclude the impact of purchase accounting adjustments, including the revaluation of inventory at the time of the business combination. These adjustments are non-cash and we believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
 - **Transaction-related expenses**: We exclude transaction-related expenses including transaction bonuses that were paid for by the seller of the businesses acquired by the Company on June 25, 2020. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
 - **Long term incentive plan**: We exclude the impact of costs relating to the long-term incentive plan. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
- **Non-cash pension expenses**: We exclude non-cash pension expenses/credits related to closed, defined pension programs of the Company. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.

- **Severance and related expenses**: We exclude employee severance and associated expenses related to roles that have been eliminated or reduced in scope as a productivity measure taken by the Company. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
- **Public company readiness**: We exclude non-recurring organization and consulting costs incurred to establish required public company capabilities. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
- **Brand Introduction expenses**: To measure operating performance, we exclude the Company's sampling program costs with Starbucks. We believe the exclusion of such amounts allows management and the users of the financial statements to better understand our financial results.
- **Restructuring**: To measure operating performance, we exclude restructuring costs. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
- **M&A transaction expenses**: We exclude expenses directly related to the acquisition of businesses after the business combination on June 25, 2020. We believe that the adjustments of these items more closely correlate with the sustainability of our operating performance.
- **Other items**: To measure operating performance, we exclude certain expenses and include certain gains that we believe are operational in nature. We believe the exclusion or inclusion of such amounts allows management and the users of the financial statements to better understand our financial results.
- **Free Cash Flow**: "Net Cash Provided by Operating Activities" (as stated in our Consolidated Statement of Cash Flows) reduced by capital expenditures.
- **Adjusted Gross Profit Margin**: We define Adjusted Gross Profit Margin as Gross Profit excluding all cash and non-cash adjustments, impacting Cost of Goods Sold, included in the Adjusted EBITDA reconciliation, as a percentage of Product Revenues, net. Such adjustments include: depreciation, purchase accounting adjustments, long term incentives and other items adjusted by management to better understand our financial results.