



# Investor Presentation

December 22, 2020



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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.

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# Whole Earth Brands leadership team



**Irwin D. Simon**  
*Executive Chairman*

More than 30 years of experience in the consumer-facing health and wellness sector

Industry visionary, driver of global Natural and organic industry growth

Significant track record of building shareholder value through M&A, having completed more than 50 acquisitions



**Albert Manzone**  
*CEO*

CEO of Whole Earth Brands since June 2020 and Flavors Holdings since February 2016

More than 25 years of strategic and global operational experience in consumer products industry

Previously worked at various blue-chip companies in food & beverage (PepsiCo, W.M. Wrigley Jr. Company) and McKinsey & Co.

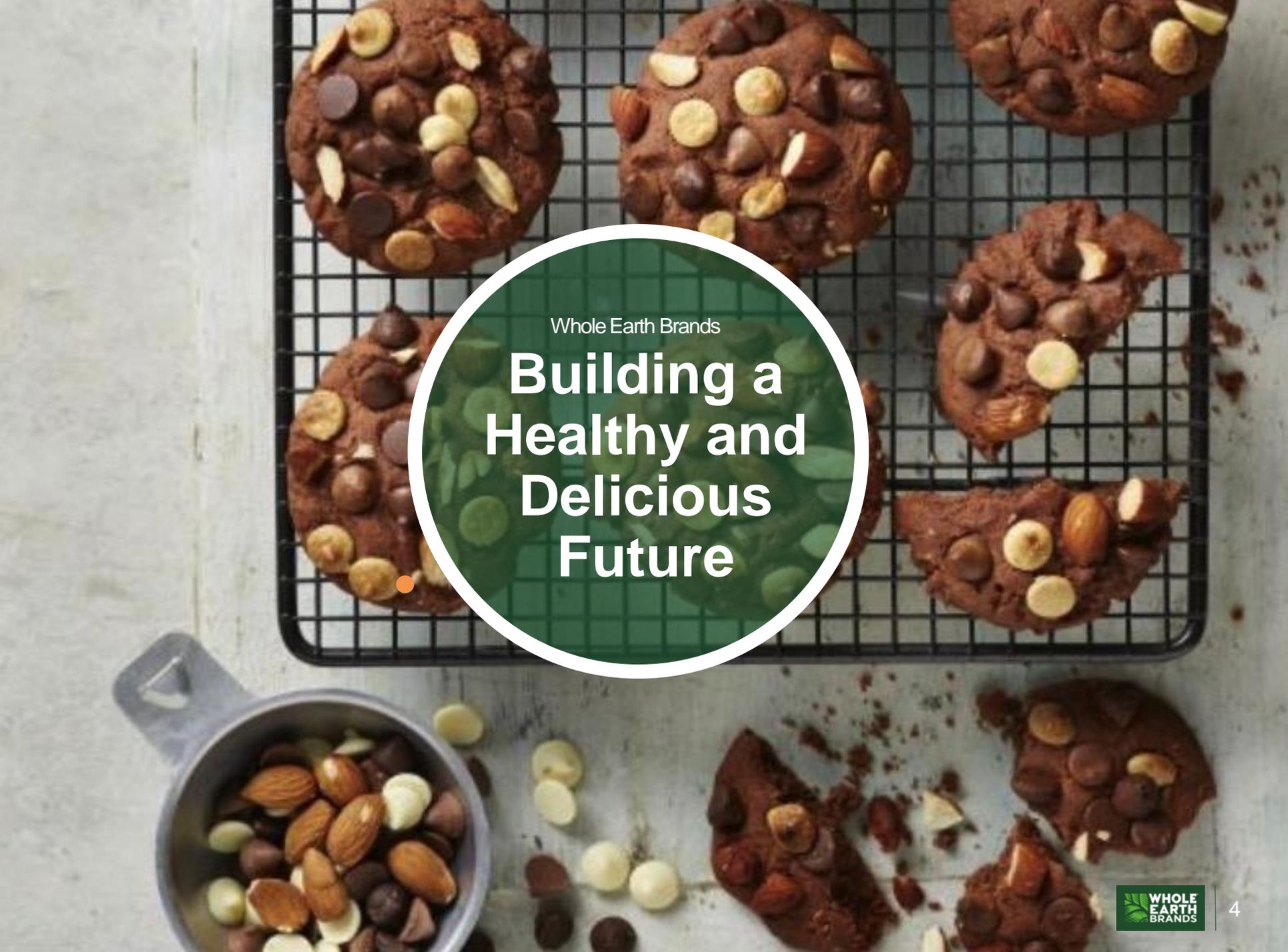


**Andy Rusie**  
*CFO*

CFO of Whole Earth Brands since June 2020 and Flavors Holdings since December 2019

15 years of experience in Global Consumer Goods finance leadership roles in China, Southeast Asia, Latin America and Europe

Previously worked at Multi-National Companies including Reckitt Benckiser, Mead Johnson Nutrition, Abbott Laboratories and E&Y



Whole Earth Brands

# Building a Healthy and Delicious Future

# Whole Earth Brands



## Our Mission

Whole Earth Brands is building a global platform of branded products and ingredients focused on the consumer transition towards natural alternatives and clean label products



## Our Vision

The company has a vision to expand its branded portfolio into the enormous “free-from...” category that includes dairy free, low carb, plant based, clean label and gluten free products

# Market leading positions and an attractive portfolio of brands

Our products enable consumers to enjoy a range of delicious foods and beverages without compromising their health and wellness goals

## Branded CPG



A global leader in natural and free-from-sugar sweeteners and other sweet categories – **this is our growth engine**



**Rank in Sugar-Free Sweeteners  
Across Key Global Markets**

## Flavors & Ingredients

**MAGNASWEET™**

Natural licorice extract and derivative products utilized in CPG and HPC among other industries for flavor enhancement, masking and other benefits – **this is our consistent cash flow generator**

**Global Leader of Natural  
Licorice Extracts and  
Derivatives**

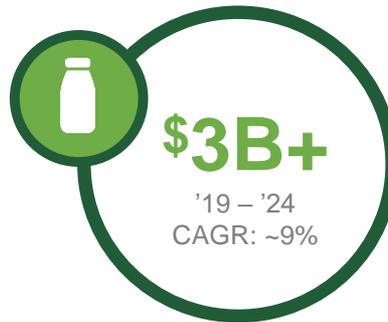
Source: Company Materials, AC Nielsen, Management Estimates  
1. Recognized as "Natural" in largest markets such as U.S.

# Positioned to grow in the enormous “free-from...” addressable market

Whole Earth Brands platform is well-positioned and well-capitalized to continue growing across several “free-from...” market segments



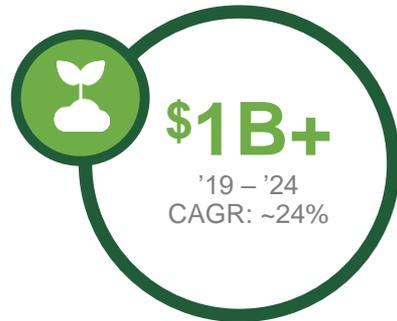
**SUGAR-FREE**



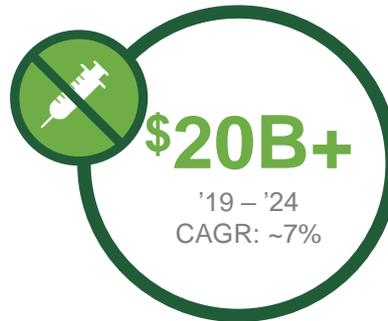
**DAIRY-FREE**



**LOW-CARB**



**PLANT-BASED**



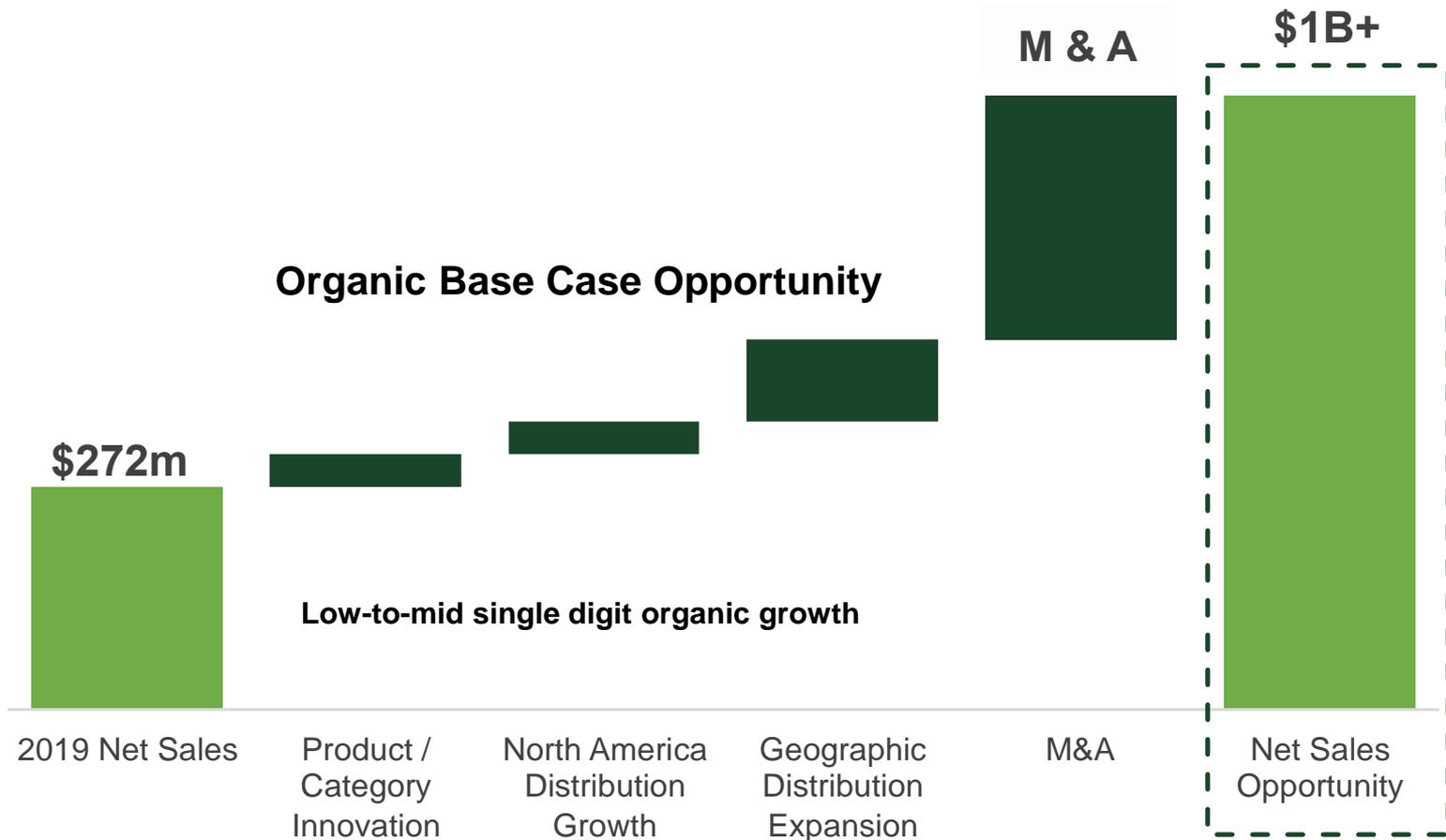
**CLEAN-LABEL**



**GLUTEN-FREE**

Source: Allied Market Research and Euromonitor.  
Represents Retail Sales Value

# Path to \$1 billion in revenue



# Recent Swerve acquisition offers a compelling strategic fit

\$80M transaction closed on November 10, 2020;

Expected to generate 2020E Net Sales of ~\$36M and Adjusted EBITDA<sup>1</sup> of ~\$5M

1

**Strengthens Whole Earth Brands Position in the Natural Sweeteners Category With a Focus on Baking**

2

**Enhances Scale and Growth of Whole Earth Brands in North America**

3

**Highly Complementary Business that Provides Portfolio Diversification and Whitespace Opportunity**

4

**Leverages Whole Earth Brands Established Business Model and Relationships to Drive Future Topline Growth and Cost Synergies**



<sup>1</sup>See non-GAAP reconciliation in appendix of this presentation

# Wholesome Acquisition to Expand Whole Earth's Diverse Portfolio of Trusted Brands and Delicious Products

\$180M transaction announced December 17, 2020; expected to close 1Q21

1

**Adds Large & Growing Organic Sugar Category and Other Complementary Products**

2

**Further Expands Whole Earth Brands' Scale in the Natural Category with Market Leadership Positions**

3

**Diverse Brand Portfolio and Blue-Chip Customers Create Financial Flexibility & High Free Cash Flow Conversion**

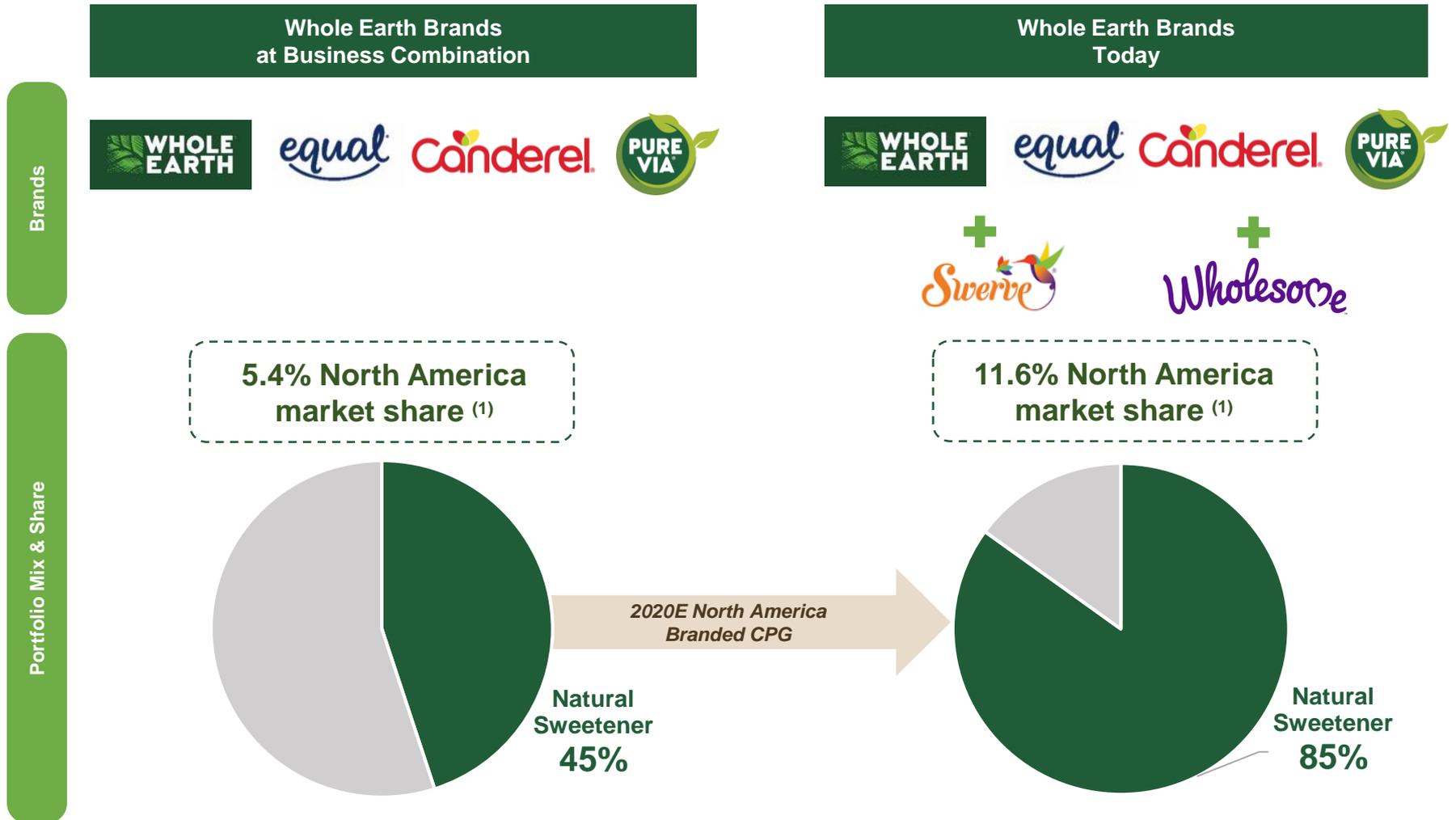
4

**Creates a Platform Expected to Generate Proforma Revenue of Approximately \$500M Fiscal 2020**

*Wholesome*<sup>™</sup>

# 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

(1) Nielsen Total Sugar Substitutes, All Channels L52 weeks ending 11.21.2020.



Branded CPG

# Favorable Trends and a Large Addressable Market

# Our brands are recognized by billions of consumers worldwide

Highly recognized and defensible portfolio of leading global brands

## BRAND PRESENCE IN WHOLE EARTH BRANDS' TOP-7 MARKETS

Brand	Awareness <sup>2</sup>	 U.S.	 France	 U.K.	 Australia	 South Africa	 Thailand	 Argentina
Share Rank <sup>1</sup>		#4	#1	#1	#1	#1	#1	#2
	75 - 90%	✓			✓	✓	✓	✓
	73 - 95%		✓	✓		✓		
	9%	✓						
	12%	✓			✓			
	48 - 50%	✓	✓	✓			✓	

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

**Note:**

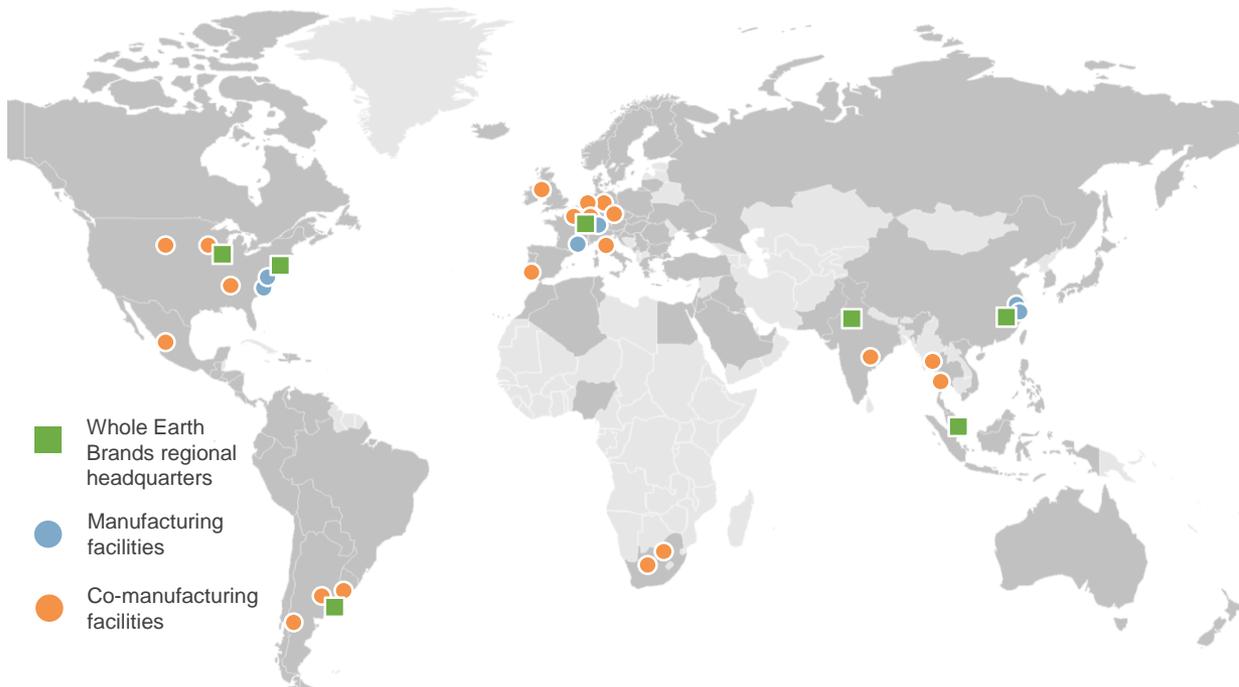
<sup>1</sup>AC Nielsen retail data for 2018

<sup>2</sup>UK data from 2018 Dig Insights study. U.S. and France data from 2015 Ipsos Reports

Australia data from 2018 Colmar Brunton report. South Africa data from TNS report

Source: Management data, L.E.K. research and analysis

# Global infrastructure in place



## Expansive global presence creates a unique platform opportunity versus regionally-focused businesses

- Strong and scalable distribution chain utilizing third party logistics companies and distributors for trucking and warehousing
- Capabilities across sweetener ingredient types
- Unique supply chain at point of origin for licorice
- Expertise to deliver specific tastes for local markets
- No customer represents >~8% of total net sales
- Potential to penetrate new large and growing markets to address the effects of a “western diet”



Source: Company Materials

# Improving health through a better diet is a key focus for consumers, retailers and governments

Secular trends globally support organic growth & “free-from...” vision

THE WALL STREET JOURNAL.

The New York Times

CNN

USA TODAY

Forbes

npr

Entrepreneur

BUSINESS INSIDER

Source: New York Times, NPR, Wall Street Journal, CNN, Entrepreneur, Business Insider, Forbes, USA Today;  
All headlines from between April 2019 and August 2020

# Massive addressable global market through accelerated penetration of sweeteners

Region	Sweetener Penetration
US/Canada	13%
Europe	12%
Latin America	4%
Asia Pacific	2%
Africa	1%
<b>Global</b>	<b>3%</b>

**Significant opportunity to increase penetration of sweeteners**

# We are benefiting from secular trends in global coffee & tea consumption and in-home baking



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



Baking accounts for 50% of worldwide sugar consumption

46%<sub>1</sub>

of consumers are baking more post COVID-19

47%<sub>1</sub>

are looking for ways to cook healthier

Source: Euromonitor, LMC

<sup>1</sup>Food Navigator-usa.com, Survey: Cooking more at home could become the new normal post-pandemic



Flavors & Ingredients

# Market Leadership & Cash Flow Generation

# Long-standing customer base; exposure to growing end-markets

## Continue to Increase Accounts with Exposure to High Growth Categories

Consumer Packaged Goods



Over-The-Counter



Flintstones



Phosphogliv



Mucinex

Beauty & Personal Care



Sells to:



## Continued Growth in Core Accounts

- Several top 10 customers have purchased licorice products for 50+ years
- Strong customer relationships driven by:
  - Ability to maintain industry leading supply security and availability
  - Manufacturing capacity and ability to consistently meet individual customer's flavor and physical requirements

### KEY NORTH AMERICAN CUSTOMERS

Company	Length of Relationship
Altria	> 20 years
RJReynolds	> 20 years
itg BRANDS <sup>®</sup>	> 10 years
IFF	> 15 years
Flavor PRODUCERS	> 10 years

# Supply chain superiority at the core of business sustainability

## Our strengths...



Licorice-sourcing from a complex supply chain



Deep relationships with critical supply partners



Significant raw material inventory on-hand



Difficult to replicate manufacturing footprint



Expertise in licorice application development

## ...translate into our enviable market positioning and tangible financial benefits

	 	Niche Competitors
Net Sales (\$M) <sup>1</sup>	~\$106	\$5 – 20
Market Presence	Global	Regional
Key End Markets	All manufactured licorice products	Individual products
Product Offering	All licorice products	Extracts & derivatives separately
Product Applications/ Development	Full	Limited
Products	400+	10 – 30
Supply Chain	Industry leading supply security and availability	Do not carry necessary working capital for security of supply

- Multi-year contracts with strategic, blue-chip customers
- Ability to maintain margins across raw material cycles
- Develop customized products based on customer requirements
- Out-compete suppliers on reliability of supply and quality
- Growth driven by developing countries

The image features three raspberry cupcakes on a white, three-tiered stand. Each cupcake is topped with a swirl of yellow frosting and a fresh raspberry. The cupcakes are held in white, intricately patterned paper liners. A large, semi-transparent green circle is centered over the middle cupcake, containing the text 'Whole Earth Brands Growth Levers Summary'. The background is a solid light green color.

Whole Earth Brands  
**Growth  
Levers  
Summary**

# Levers to achieve plan



1 Continue to drive product innovation, educate consumers on baking alternatives, and develop product extensions



2 Grow North America through Natural, innovation, and distribution



3 Support continued growth in developing economies and enter new geographies

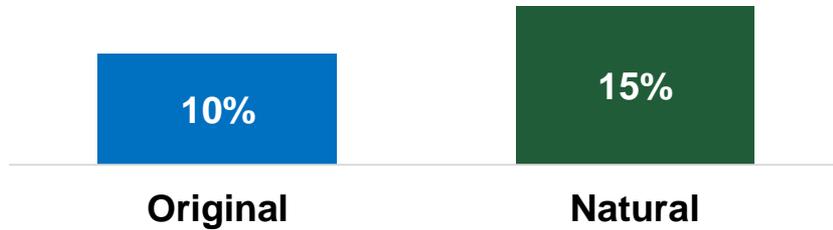


4 Supplement organic growth with targeted M&A

# North America Branded CPG growth performance

## Category Performance

Nielsen XAOC Nov YTD



## % ACV Distribution

Nielsen XAOC Nov YTD



## Branded CPG Performance

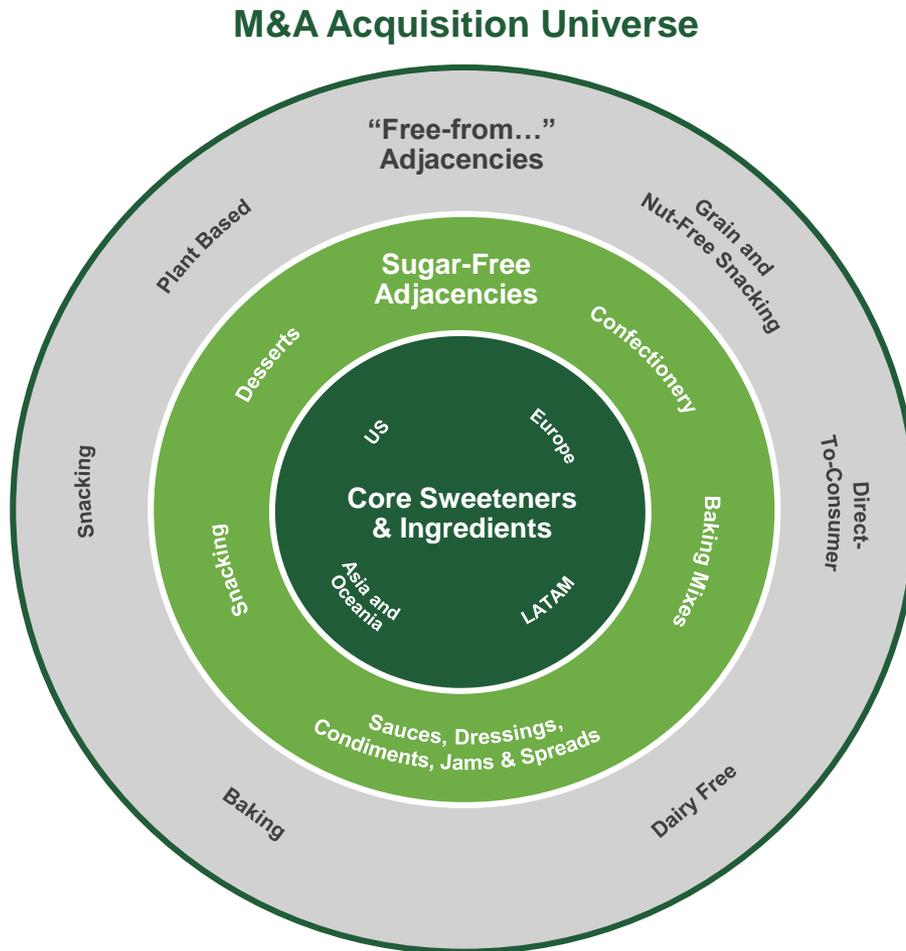
Nielsen XAOC Nov YTD



Innovation contributes +16% of Net Sales since 2018

# Clear M&A strategy backed by a strong pipeline

Balance sheet in place to acquire on-trend branded health and wellness categories



## KEY CRITERIA WHEN CONSIDERING M&A



Organic Sales Growth



Attractive Category Exposure



Ability to Scale



Earnings Consistency



Stable Margins



Return on Capital

Note: M&A Acquisition Universe will actively be refined on an on-going basis



Whole Earth Brands

# Financial Summary

# 2020 guidance and long-term growth algorithm

	2020E Projections	Long-Term Algorithm
<b>Net Sales</b>	<p><b>\$270 – 280M</b></p> <p>Includes \$4 - 5M of Swerve contribution</p>	<p><b>Low-to-mid single digit organic growth through the cycle</b></p> <ul style="list-style-type: none"> <li>• Driven by distribution gains, geographic expansion, and continued innovation</li> <li>• Accelerated by tuck-in acquisitions</li> </ul>
<b>Adjusted EBITDA<sup>1</sup></b>	<p><b>\$54 – 57M</b></p> <p>Includes nominal Swerve contribution</p>	<p><b>Margins of ~23-25%</b></p> <ul style="list-style-type: none"> <li>• Operational leverage from existing footprint and SG&amp;A platform</li> </ul> <p><b>Mid-single digit growth</b></p> <ul style="list-style-type: none"> <li>• Accelerated by accretive and synergistic tuck-in acquisitions</li> </ul>
<b>CAPEX</b>	<p><b>\$8 – 9M</b></p>	<p><b>Long-term view of CAPEX approximating ~1.5% of net sales</b></p> <ul style="list-style-type: none"> <li>• Asset-light business model</li> <li>• Temporary acceleration of spend in 2020 associated with manufacturing footprint optimization project</li> </ul>

Source: Company Materials

<sup>1</sup> Adjusted EBITDA excludes proforma adjustments related to the expectation of \$9 million of future benefits related to Flavors & Ingredients segment manufacturing footprint optimization project, synergies related to combining the two companies and supply chain transformation within Branded CPG. The Company does not anticipate realizing these benefits in 2020, but will reflect these benefits in future periods as realized.



**Disciplined  
Capital Allocation  
to Become Global  
Market Leader**

Flexibility to pursue synergistic,  
growth-enhancing M&A



Long-term leverage target <3.0x



Free cash flow to be used to de-lever  
back to <3.0x within a reasonable period  
of time post-M&A



Priority for capital allocation will be towards  
M&A and deleveraging post-M&A

# Investment highlights

- Global platform serving long-standing blue-chip customer relationships across 100+ countries, through our attractive mega-brands and regional brands
- Secular shift towards health and wellness and “free-from...” provides multi-decade tailwinds and large opportunities in sugar-laden products
- Asset-light and scalable business model with leading market positioning allows for sustainably high-margin profile
- Attractive balance sheet and stable free cash flow supports growth initiatives and opportunity to drive complementary M&A
- Track record of successful targeted new brand and new product launches
- Targeting large and growing “free-from...” target addressable market which approaches \$30B with a projected CAGR of approximately 8%
- Attractive investment entry point at current valuation
- Announced two acquisitions (Swerve, Wholesome) in first 175 days of going public





**Thank You!**



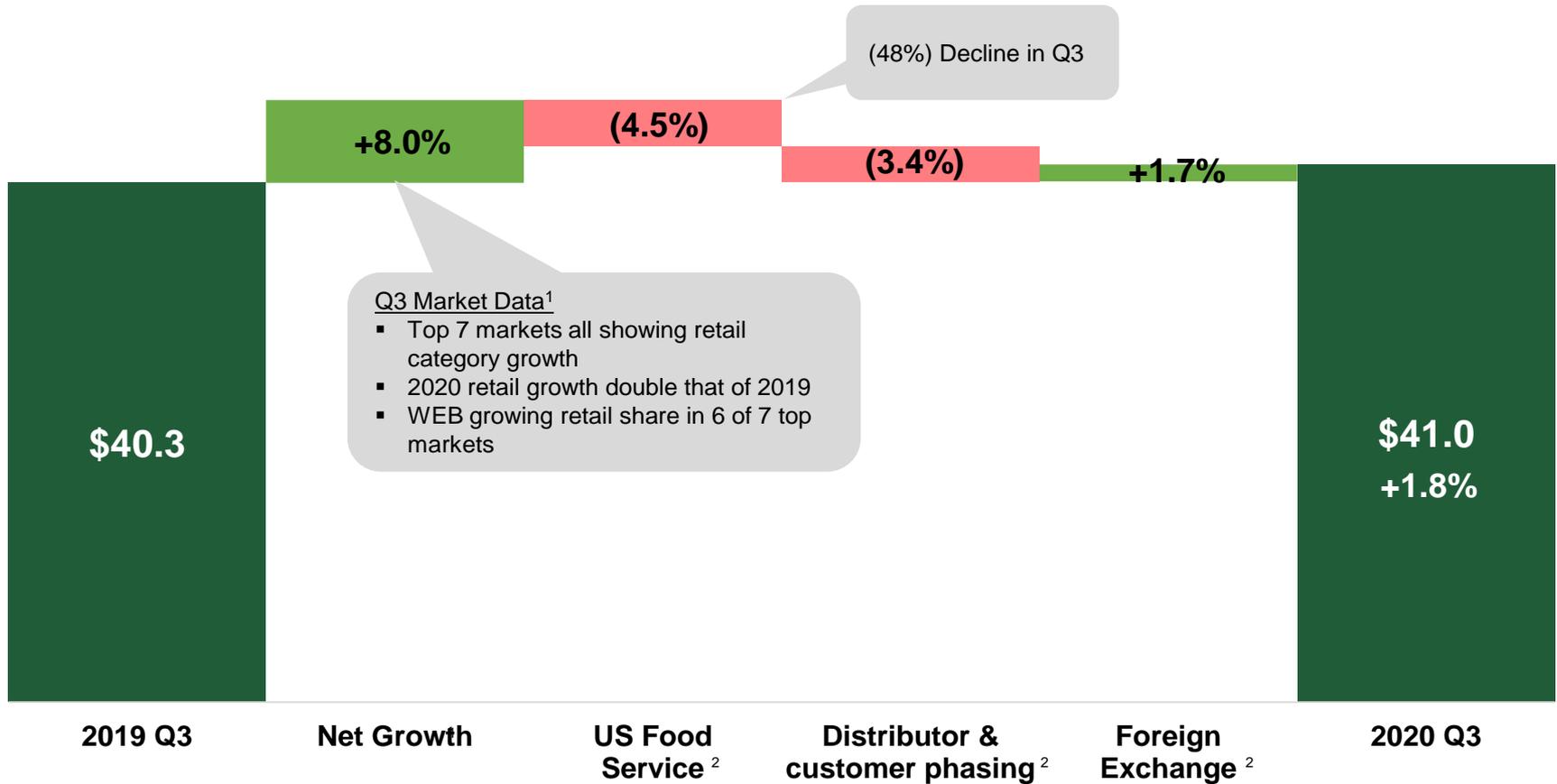


Whole Earth Brands

# Appendix

# Branded CPG Q3 Revenue Performance

Strong Retail & E-Commerce Category & Share Performance offset by softness in U.S. Food Service Channel and Order Phasing at Distributors and Retailers

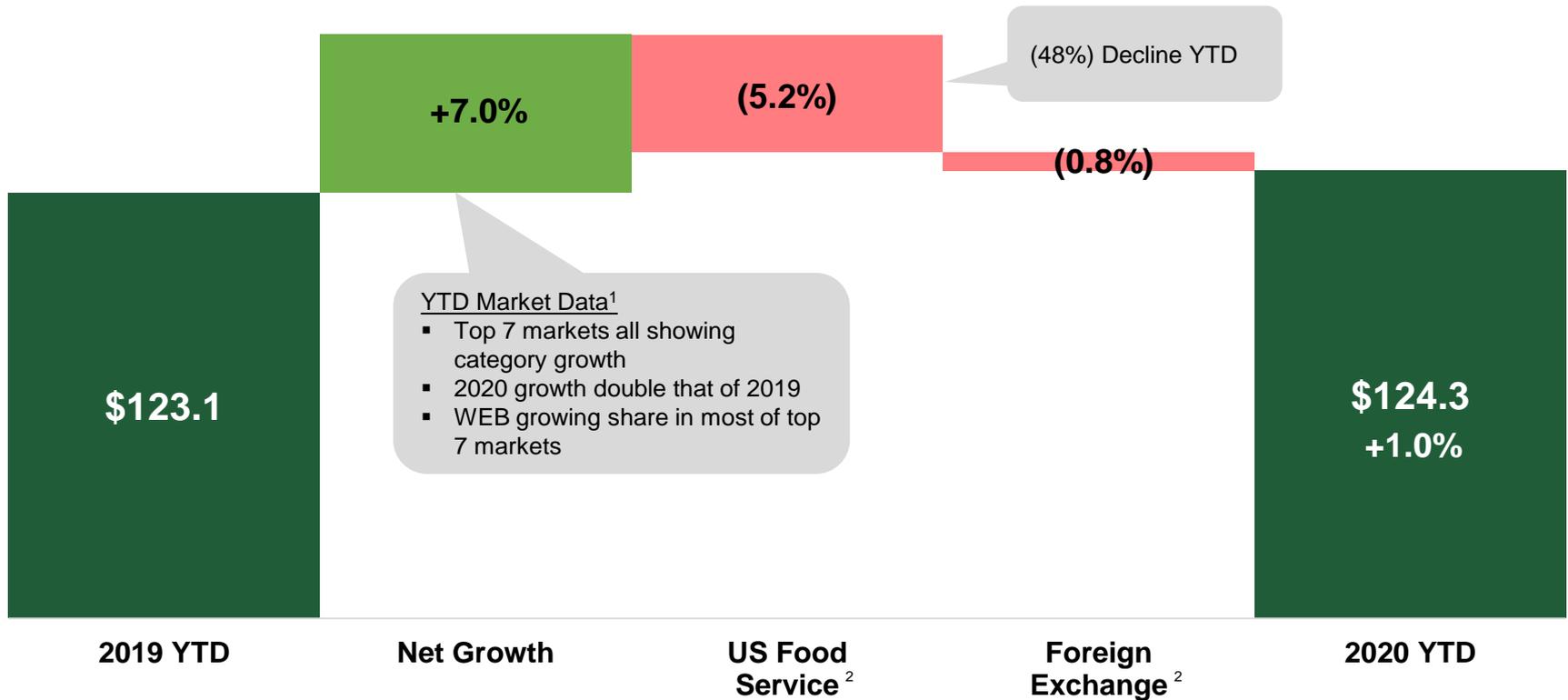


<sup>1</sup>Nielson, IRI and Aztec data

<sup>2</sup>Internal Company data

# Branded CPG Year-to-Date (YTD) Revenue Performance

Strong Retail & E-Commerce Category & Share Performance offset by softness in U.S. Food Service Channel



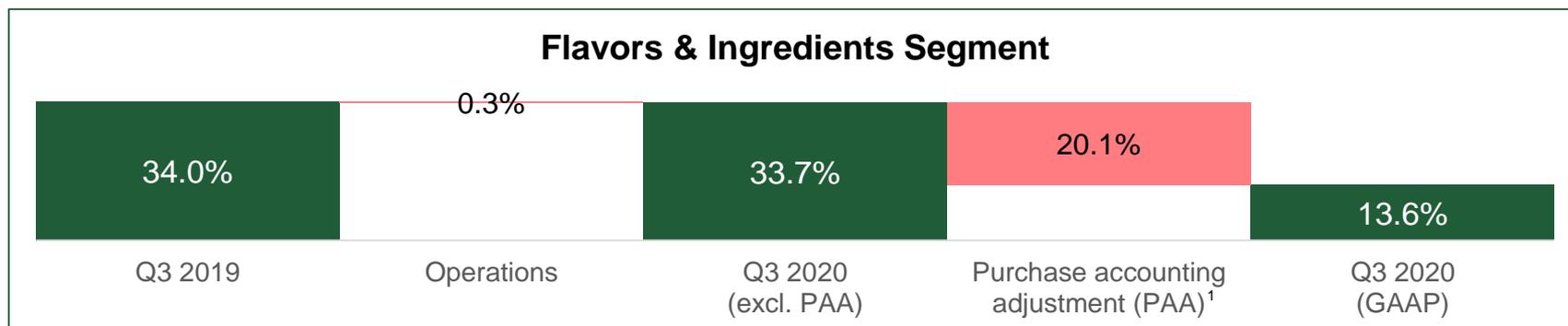
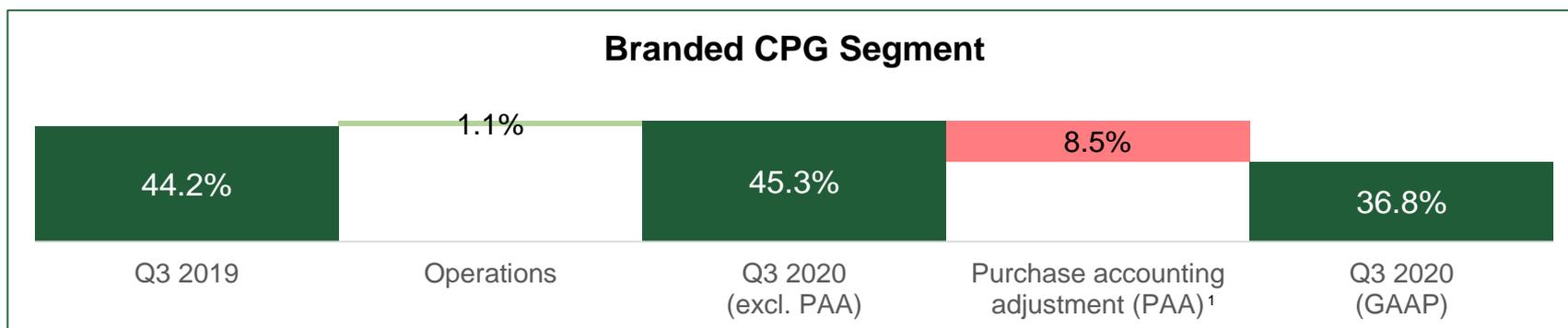
<sup>1</sup>Nielson, IRI, Aztec data

<sup>2</sup>Internal Company data

# Q3 Segment Gross Profit Margin

Gross Margin Improvement of 40bps to 40.8% (excluding PAA)

Driven by Branded CPG Productivity



<sup>1</sup>The purchase accounting adjustment (PAA) includes the revaluation of inventory at fair market value at the time of the business combination.

# September Year-to-Date Cash Flow Detail

\$20M of Free Cash Flow Excluding Addbacks & Transaction Bonuses

Cash Flow from Operations, net of Capex	\$ Millions
Net (loss) income	(\$37.4)
Depreciation and Amortization	\$9.9
Asset impairment charge	\$40.6
Purchase accounting	\$8.7
Deferred income taxes	(\$9.1)
Change in Net Working Capital	(\$3.2)
Other	(\$2.3)
Net cash from operations	\$7.2
Capex	(\$5.7)
<b>Free cash flow</b>	<b>\$1.5</b>

Free Cash Flow Presentation	\$ Millions
Adjusted EBITDA	\$40.5
Cash Taxes	(\$4.0)
Interest paid	(\$2.5)
NWC ▲ and Other	(\$8.4)
Capex	(\$5.7)
<b>Free cash flow</b>	<b>\$19.9</b>
Cash related addbacks <sup>1</sup>	(\$7.2)
Transaction bonuses	(\$11.2)
FCF including one-offs	\$1.5

<sup>1</sup>Includes the long-term incentive plan, severance and related expenses, public company readiness, brand introduction costs and other adjustments; see definition of the Company's non-GAAP Financial Measures

# Swerve Transaction Overview

Swerve provides a key growth platform for Whole Earth Brands to expand its position in natural and free-from-sugar sweeteners

## Transaction Summary

- Whole Earth Brands to acquire Swerve for \$80.0M, on a cash-free, debt-free basis
- Purchase price represents 2.25x 2020E Net Sales, 15.0x 2020E Operating Income, 14.8x 2020E Adj. EBITDA and 9.5x run-rate synergized Adjusted EBITDA (2020E EBITDA plus run-rate synergies estimated at \$2.75M)

## Growth Opportunity

- Swerve is the fastest growing shelf stable sweetener brand across conventional grocery, growing at a CAGR of 150%+ since 2016
- Swerve enhanced by Whole Earth's established business model and ability to rapidly gain additional distribution
- Additional growth levers such as innovation, markets and channels penetration already identified

## Impressive Financial Highlights

- Swerve's continued strong performance enhances Whole Earth's branded North America Net Sales to \$100M, 10% share of total sweeteners (Nielsen All Channels), and natural 65% of the mix<sup>1</sup>
- Expected cost synergies of \$2.5M to \$3.0M improves margin profile and cash flow of combined business

## Adjusted EBITDA Reconciliation

GAAP Income from Operations	\$5.3M
<u>D&amp;A</u>	<u>\$0.1M</u>
EBITDA	\$5.4M

<sup>1</sup>All numbers represent 2020E, giving effect to the transaction as if it had occurred on January 1, 2020

# Wholesome Transaction Overview

## Wholesome Sweeteners expands Whole Earth Brands' platform with leadership positions within organic sweeteners

### Transaction Summary

- Whole Earth Brands to acquire Wholesome Sweeteners for \$180M, on a cash-free, debt-free basis
- Purchase price represents 7.8x calendar 2020E Adjusted EBITDA with an additional earn-out based on the business performance

### Growth Opportunity

- Wholesome provides leadership position within the large and growing organic sugar category, where consumption is 1.5x<sup>1</sup> the rate of conventional sugar in the U.S.
- Wholesome's strong relationships with key customers / accounts presents opportunity to leverage Whole Earth Brands' full portfolio
- Additional growth levers such as channel, product, and category expansion already identified

### Impressive Financial Highlights

- Expects to realize commercial synergies in North America and through launching Wholesome's products across Whole Earth Brands' global footprint
- Expects to realize cost synergies through supply chain integration over the coming two years as well as general overhead savings

(1) Nielsen Total XAOC L52W through 9/26/20 Organic vs Conventional growth

# Consolidated Statement of Cash Flows

In Thousands of Dollars; Unaudited

	(Successor)	(Predecessor)	
	From June 26, 2020 to September 30, 2020	From January 1, 2020 to June 25, 2020	Nine Months Ended September 30, 2019
<b>Operating activities</b>			
Net (loss) income	\$ (3,340)	\$ (34,136)	\$ 17,943
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation	797	1,334	2,232
Amortization of intangible assets	2,841	4,927	7,968
Deferred income taxes	(3,490)	(5,578)	1,857
Asset impairment charges	—	40,600	—
Pension benefit (credit) expense, net	(154)	126	705
Changes in current assets and liabilities:			
Accounts receivable	(6,535)	7,726	2,312
Inventories	5,022	3,576	2,580
Prepaid expenses and other current assets	(2,516)	3,330	(569)
Accounts payable, accrued liabilities and income taxes	(5,618)	507	(6,589)
Other, net	278	(2,504)	(1,870)
Net cash (used in) provided by operating activities	(12,715)	19,908	26,569
<b>Investing activities</b>			
Capital expenditures	(2,139)	(3,532)	(2,276)
Acquisitions, net of cash acquired	(376,674)	—	—
Transfer from trust account	178,875	—	—
Net cash used in investing activities	(199,938)	(3,532)	(2,276)
<b>Financing activities</b>			
Proceeds from revolving credit facility	—	3,500	—
Repayments of revolving credit facility	—	(8,500)	—
Long-term borrowings	140,000	—	—
Repayments of long-term borrowings	(1,750)	—	—
Debt issuance costs	(7,139)	—	—
Proceeds from sale of common stock and warrants	75,000	—	—
Funding to Parent, net	—	(11,924)	(23,940)
Net cash provided by (used in) financing activities	206,111	(16,924)	(23,940)
Effect of exchange rate changes on cash and cash equivalents	88	215	117
<b>Net change in cash and cash equivalents</b>	<b>(6,454)</b>	<b>(333)</b>	<b>470</b>
Cash and cash equivalents, beginning of period	55,535	10,395	7,205
Cash and cash equivalents, end of period	<u>\$ 49,081</u>	<u>\$ 10,062</u>	<u>\$ 7,675</u>
<b>Supplemental disclosure of cash flow information</b>			
Interest paid	\$ 1,667	\$ 798	\$ —
Taxes paid, net of refunds	\$ 1,722	\$ 2,244	\$ 4,160

# Adjusted EBITDA Reconciliation

*In Thousands of Dollars; Unaudited*

	(Successor)		(Predecessor)		
	Three Months Ended September 30, 2020	From June 26, 2020 to September 30, 2020	From January 1, 2020 to June 25, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Product revenues, net	67,002	71,480	128,328	64,060	203,354
Net (loss) income	\$ (2,835)	\$ (3,340)	\$ (34,136)	\$ 5,273	\$ 17,943
Provision (benefit) for income taxes	1,684	1,694	(3,482)	1,627	5,228
Other expense (income), net	170	232	(801)	716	666
Interest expense, net	2,045	2,161	238	237	342
Operating income (loss)	1,064	747	(38,181)	7,853	24,179
Depreciation	754	797	1,334	701	2,228
Amortization of intangible assets	2,700	2,841	4,927	2,656	7,968
Asset impairment charges	—	—	40,600	—	—
Purchase accounting adjustments in inventory	8,701	8,701	—	—	—
Transaction related expenses	214	883	10,348	—	—
Long term incentive plan	378	357	562	—	1,159
Non-cash pension expense	—	32	335	516	1,589
Severance and related expenses	311	367	1,105	—	296
Public company readiness	2,183	2,213	569	—	—
Brand introduction costs	207	229	1,131	1,213	2,578
Other items	(12)	15	634	2,528	3,677
Adjusted EBITDA	\$ 16,500	\$ 17,181	\$ 23,366	\$ 15,466	\$ 43,674

# 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. 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 fair market value 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 assets associated with the Company's business combination transaction. 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.
  - **Other items:** To measure operating performance, we exclude certain expenses and gains that arise outside the ordinary course of our continuing operations. Such costs primarily include legal settlements and associated legal fees, acquisition related expenses, and other one off, non-recurring costs. We believe the exclusion 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.