REFINITIV

# DELTA REPORT

## 10-Q

WHOLE EARTH BRANDS, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

| TOTAL DELTAS | 1240 |
| --- | --- |
| CHANGES | 216 |
| DELETIONS | 699 |
| ADDITIONS | 325 |

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

**FORM 10-Q**

(Mark One)

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

**For the quarterly period ended September 30, 2023 March 31, 2024**

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

**For the transition period from to**

**Commission File No. 001-38880**

## Whole Earth Brands, Inc.

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Delaware<br>(State or other jurisdiction of incorporation or organization) | **38-4101973**<br>(I.R.S. Employer Identification No.) |
| **125 S. Wacker Drive, Suite 1250**<br>**Chicago, Illinois**<br>(Address of Principal Executive Offices) | **60606**<br>(Zip Code) |

**(312) 840-6000**

(Registrant's telephone number, including area code)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common stock, par value $0.0001 per share | FREE | The NASDAQ Stock Market LLC |
| Warrants to purchase one-half of one share of common stock | FREEW | The NASDAQ Stock Market LLC |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☒ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐☒ |
| | | Emerging growth company | ☒ |

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

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

As of November 8, 2023 May 8, 2024, there were 42,850,915 43,197,338 shares of the registrant's common stock, par value $0.0001 per share, issued and outstanding.

**WHOLE EARTH BRANDS, INC.**

**Quarterly Report on Form 10-Q**

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**PART I - FINANCIAL INFORMATION**

**Item 1. Financial Statements.**

Whole Earth Brands, Inc.
Condensed Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2023 March 31, 2024

Condensed Consolidated Financial Statements



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**Whole Earth Brands, Inc.** **Condensed Consolidated Balance Sheets** **(In thousands of dollars, except for share and per share data)** **(Unaudited)**

| | | September 30, 2023 | December 31, 2022 | |
|---|---|---|---|---|
| | | March 31, 2024 | | |
| | | March 31, 2024 | | |
| | | March 31, 2024 | | December 31, 2023 |
| **Assets** | **Assets** | | | |
| **Current Assets** | **Current Assets** | | | |
| **Current Assets** | | | | |
| **Current Assets** | | | | |
| Cash and cash equivalents | Cash and cash equivalents | $ 24,249 | $ 28,676 | |
| Accounts receivable (net of allowances of $1,185 and $1,614, respectively) | | 68,181 | 66,653 | |
| Cash and cash equivalents | | | | |
| Cash and cash equivalents | | | | |
| Accounts receivable (net of allowances of $1,281 and $1,460, respectively) | | | | |

| | | | |
|---|---|---|---|
| Inventories | Inventories | 216,803 | 218,975 |
| Prepaid expenses and other current assets | Prepaid expenses and other current assets | 5,624 | 10,530 |
| Total current assets | Total current assets | 314,857 | 324,834 |
| **Property, Plant and Equipment, net** | **Property, Plant and Equipment, net** | 54,630 | 58,092 |
| **Property, Plant and Equipment, net** | | | |
| **Property, Plant and Equipment, net** | | | |
| **Other Assets** | **Other Assets** | | |
| **Other Assets** | | | |
| **Other Assets** | | | |
| Operating lease right-of-use assets | | | |
| Operating lease right-of-use assets | | | |
| Operating lease right-of-use assets | Operating lease right-of-use assets | 21,233 | 18,238 |
| Goodwill | Goodwill | 192,506 | 193,139 |
| Other intangible assets, net | Other intangible assets, net | 231,189 | 245,376 |
| Deferred tax assets, net | Deferred tax assets, net | 490 | 539 |
| Other assets | Other assets | 10,486 | 8,785 |
| **Total Assets** | **Total Assets** | $ 825,391 | $ 849,003 |
| **Liabilities and Stockholders' Equity** | **Liabilities and Stockholders' Equity** | | |
| **Liabilities and Stockholders' Equity** | | | |
| **Liabilities and Stockholders' Equity** | | | |
| **Current Liabilities** | **Current Liabilities** | | |
| **Current Liabilities** | | | |
| **Current Liabilities** | | | |
| Accounts payable | | | |
| Accounts payable | | | |
| Accounts payable | Accounts payable | $ 51,201 | $ 47,002 |
| Accrued expenses and other current liabilities | Accrued expenses and other current liabilities | 30,327 | 27,488 |
| Current portion of operating lease liabilities | Current portion of operating lease liabilities | 8,414 | 8,804 |

| | | | |
|---|---|---|---|
| Current portion of long-term debt | Current portion of long-term debt | 3,750 | 3,750 |
| Total current liabilities | Total current liabilities | 93,692 | 87,044 |
| **Non-Current Liabilities** | **Non-Current Liabilities** | | |
| Long-term debt | Long-term debt | 424,480 | 432,172 |
| Long-term debt | | | |
| Long-term debt | | | |
| Deferred tax liabilities, net | Deferred tax liabilities, net | 33,466 | 32,585 |
| Operating lease liabilities, less current portion | Operating lease liabilities, less current portion | 15,883 | 12,664 |
| Other liabilities | Other liabilities | 10,192 | 9,987 |
| **Total Liabilities** | **Total Liabilities** | 577,713 | 574,452 |
| **Commitments and Contingencies** (Note 8) | **Commitments and Contingencies** (Note 8) | — | — |
| **Stockholders' Equity** | **Stockholders' Equity** | | |
| Preferred shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at September 30, 2023 and December 31, 2022 | | — | — |
| Common stock, $0.0001 par value; 220,000,000 shares authorized; 42,797,861 and 41,994,355 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively | | 4 | 4 |
| Preferred shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at March 31, 2024 and December 31, 2023 | | | |
| Preferred shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at March 31, 2024 and December 31, 2023 | | | |
| Preferred shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at March 31, 2024 and December 31, 2023 | | | |
| Common stock, $0.0001 par value; 220,000,000 shares authorized; 43,058,541 and 42,853,468 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively | | | |

| | | | |
|---|---|---|---|
| Additional paid-in capital | Additional paid-in capital | 366,313 | 360,777 |
| Accumulated deficit | Accumulated deficit | (115,932) | (85,188) |
| Accumulated other comprehensive loss | | (2,707) | (1,042) |
| Accumulated other comprehensive (loss) income | | | |
| **Total stockholders' equity** | **Total stockholders' equity** | 247,678 | 274,551 |
| **Total Liabilities and Stockholders' Equity** | **Total Liabilities and Stockholders' Equity** | $ 825,391 | $ 849,003 |

*See Notes to Unaudited Condensed Consolidated Financial Statements*



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**Whole Earth Brands, Inc.**

**Whole Earth Brands, Inc.**

**Whole Earth Brands, Inc.** **Condensed Consolidated Statements of Operations** **(In thousands of dollars, except for share and per share data)** **(Unaudited)**

| | | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|---|
| | | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | | Three Months Ended | | | |
| | | Three Months Ended | | | |
| | | Three Months Ended | | | |
| | March 31, 2024 | | | March 31, 2024 | March 31, 2023 |
| Product revenues, net | Product revenues, net | $ 134,430 | $ 135,280 | $ 399,749 | $ 399,375 |
| Cost of goods sold | Cost of goods sold | 96,902 | 100,263 | 296,500 | 287,486 |
| Gross profit | Gross profit | 37,528 | 35,017 | 103,249 | 111,889 |
| Selling, general and administrative expenses | | | | | |
| Selling, general and administrative expenses | | | | | |
| Selling, general and administrative expenses | Selling, general and administrative expenses | 26,226 | 23,566 | 76,549 | 76,314 |
| Amortization of intangible assets | Amortization of intangible assets | 4,641 | 4,629 | 13,989 | 13,998 |
| Operating income | Operating income | 6,661 | 6,822 | 12,711 | 21,577 |
| Operating income | | | | | |
| Operating income | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Interest expense, net | Interest expense, net | (11,117) | (8,214) | (32,884) | (20,674) |
| Other (expense) income, net | | (448) | 278 | (1,333) | 3,985 |
| (Loss) income before income taxes | | (4,904) | (1,114) | (21,506) | 4,888 |
| Interest expense, net | | | | | |
| Interest expense, net | | | | | |
| Other income (expense), net | | | | | |
| Loss before income taxes | | | | | |
| Provision for income taxes | Provision for income taxes | 526 | 1,407 | 9,238 | 3,357 |
| Net (loss) income | | $ (5,430) | $ (2,521) | $ (30,744) | $ 1,531 |
| Net loss | | | | | |
| Net (loss) earnings per share: | | | | | |
| Net loss per share: | | | | | |
| Net loss per share: | | | | | |
| Net loss per share: | | | | | |
| Basic | | | | | |
| Basic | | | | | |
| Basic | Basic | $ (0.13) | $ (0.06) | $ (0.73) | $ 0.04 |
| Diluted | Diluted | $ (0.13) | $ (0.06) | $ (0.73) | $ 0.04 |

*See Notes to Unaudited Condensed Consolidated Financial Statements*



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**Whole Earth Brands, Inc.**

**Whole Earth Brands, Inc.**

**Whole Earth Brands, Inc.** **Condensed Consolidated Statements of Comprehensive Income (Loss)** **(In thousands of dollars)** **(Unaudited)**

| | | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|---|
| | | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| Net (loss) income | | $ (5,430) | $ (2,521) | $ (30,744) | $ 1,531 |
| | | Three Months Ended | | | |
| | | Three Months Ended | | | |
| | | Three Months Ended | | | |
| | March 31, 2024 | March 31, 2024 | | March 31, 2023 | |
| Net loss | | | | | |
| Other comprehensive income (loss), net of tax: | Other comprehensive income (loss), net of tax: | | | | |
| Net change in pension benefit obligations recognized, net of taxes of $(4), $(63), $(12) and $(129), respectively | | (12) | 21 | (35) | (186) |
| Unrealized gains and losses on cash flow hedges, net of taxes of $383, $0, $602 and $0, respectively | | 1,149 | — | 1,804 | — |

| | | | | | |
|---|---|---|---|---|---|
| Gains and losses on cash flow hedges reclassified to net income, net of taxes of $(113), $0, $(113), and $0, respectively | | (339) | — | (339) | — |
| Net change in pension benefit obligations recognized, net of taxes of $(3) and $(4), respectively | | | | | |
| Net change in pension benefit obligations recognized, net of taxes of $(3) and $(4), respectively | | | | | |
| Net change in pension benefit obligations recognized, net of taxes of $(3) and $(4), respectively | | | | | |
| Unrealized gains and losses on cash flow hedges, net of taxes of $615 and $0, respectively | | | | | |
| Gains and losses on cash flow hedges reclassified to net income, net of taxes of $(128), and $0, respectively | | | | | |
| Foreign currency translation adjustments | Foreign currency translation adjustments | (5,140) | (13,522) | (3,095) | (30,373) |
| Total other comprehensive income (loss), net of tax | Total other comprehensive income (loss), net of tax | (4,342) | (13,501) | (1,665) | (30,559) |
| Comprehensive loss | Comprehensive loss | $ (9,772) | $ (16,022) | $ (32,409) | $ (29,028) |

*See Notes to Unaudited Condensed Consolidated Financial Statements*



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**Whole Earth Brands, Inc.**

**Condensed Consolidated Statements of Equity**

**(In thousands of dollars)**

**(Unaudited)**

| | Common Stock | | Additional Paid-in | Accumulated | Accumulated Other Comprehensive | Total Stockholders' |
|---|---|---|---|---|---|---|
| | **Shares** | **Amount** | **Capital** | **Deficit** | **Income (Loss)** | **Equity** |
| **Balance at December 31, 2021** | 38,871,646 | $ 4 | $ 330,616 | $ (26,436) | $ 9,687 | $ 313,871 |
| Transfer of Private Warrants to Public Warrants | — | — | 605 | — | — | 605 |
| Net income | — | — | — | 2,726 | — | 2,726 |

| | Shares | Amount | Additional Paid-in Capital | Accumulated Deficit | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| Other comprehensive loss, net of tax | — | — | — | — | (2,227) | (2,227) |
| Stock-based compensation | — | — | 1,354 | — | — | 1,354 |
| Net share settlements of stock-based awards | 146,444 | — | (291) | — | — | (291) |
| Shares issued for payment of contingent consideration | 2,659,574 | — | 23,936 | — | — | 23,936 |
| **Balance at March 31, 2022** | 41,677,664 | 4 | 356,220 | (23,710) | 7,460 | 339,974 |
| Net income | — | — | — | 1,326 | — | 1,326 |
| Other comprehensive loss, net of tax | — | — | — | — | (14,831) | (14,831) |
| Stock-based compensation | — | — | 1,564 | — | — | 1,564 |
| Net share settlements of stock-based awards | 92,253 | — | (91) | — | — | (91) |
| Net share settlements under management bonus plan | 203,763 | — | 1,402 | — | — | 1,402 |
| **Balance at June 30, 2022** | 41,973,680 | 4 | 359,095 | (22,384) | (7,371) | 329,344 |
| Net loss | — | — | — | (2,521) | — | (2,521) |
| Other comprehensive loss, net of tax | — | — | — | — | (13,501) | (13,501) |
| Stock-based compensation | — | — | 1,743 | — | — | 1,743 |
| Net share settlements of stock-based awards | 4,134 | — | (12) | — | — | (12) |
| **Balance at September 30, 2022** | 41,977,814 | $ 4 | $ 360,826 | $ (24,905) | $ (20,872) | $ 315,053 |

**Whole Earth Brands, Inc.**

**Condensed Consolidated Statements of Equity**

**(In thousands of dollars)**

**(Unaudited)**

| | Common Stock | | Additional Paid-in | Accumulated | Accumulated Other Comprehensive | Total Stockholders' |
|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Deficit | Income (Loss) | Equity |
| **Balance at December 31, 2022** | 41,994,355 | $ 4 | $ 360,777 | $ (85,188) | $ (1,042) | $ 274,551 |
| Net loss | — | — | — | (19,797) | — | (19,797) |
| Other comprehensive income, net of tax | — | — | — | — | 4,404 | 4,404 |
| Stock-based compensation | — | — | 1,792 | — | — | 1,792 |
| Net share settlements of stock-based awards | 250,611 | — | (405) | — | — | (405) |
| **Balance at March 31, 2023** | 42,244,966 | $ 4 | $ 362,164 | $ (104,985) | $ 3,362 | $ 260,545 |

| | Common Stock | | Additional Paid-in | Accumulated | Accumulated Other Comprehensive | Total Stockholders' |
|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Deficit | Income (Loss) | Equity |
| **Balance at December 31, 2023** | 42,853,468 | $ 4 | $ 365,721 | $ (123,284) | $ 9,249 | $ 251,690 |
| Net loss | — | — | — | (9,396) | — | (9,396) |
| Other comprehensive loss, net of tax | — | — | — | — | (9,612) | (9,612) |
| Stock-based compensation | — | — | 1,763 | — | — | 1,763 |
| Net share settlements of stock-based awards | 205,073 | — | (458) | — | — | (458) |
| **Balance at March 31, 2024** | 43,058,541 | $ 4 | $ 367,026 | $ (132,680) | $ (363) | $ 233,987 |

*See Notes to Unaudited Condensed Consolidated Financial Statements*

## Whole Earth Brands, Inc.
## Condensed Consolidated Statements of Equity (Continued)
## (In thousands of dollars)
## (Unaudited)

| | Common Stock | | Additional Paid-in | Accumulated | Accumulated Other Comprehensive | Total Stockholders' |
|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Deficit | Income (Loss) | Equity |
| **Balance at December 31, 2022** | 41,994,355 | $ 4 | $ 360,777 | $ (85,188) | $ (1,042) | $ 274,551 |
| Net loss | — | — | — | (19,797) | — | (19,797) |
| Other comprehensive income, net of tax | — | — | — | — | 4,404 | 4,404 |
| Stock-based compensation | — | — | 1,792 | — | — | 1,792 |
| Net share settlements of stock-based awards | 250,611 | — | (405) | — | — | (405) |
| **Balance at March 31, 2023** | 42,244,966 | 4 | 362,164 | (104,985) | 3,362 | 260,545 |
| Net loss | — | — | — | (5,517) | — | (5,517) |
| Other comprehensive loss, net of tax | — | — | — | — | (1,727) | (1,727) |
| Stock-based compensation | — | — | 2,883 | — | — | 2,883 |
| Net share settlements of stock-based awards | 217,929 | — | (349) | — | — | (349) |
| **Balance at June 30, 2023** | 42,462,895 | 4 | 364,698 | (110,502) | 1,635 | 255,835 |
| Transfer of Private Warrants to Public Warrants | — | — | 133 | — | — | 133 |
| Net loss | — | — | — | (5,430) | — | (5,430) |
| Other comprehensive loss, net of tax | — | — | — | — | (4,342) | (4,342) |
| Stock-based compensation | — | — | 2,172 | — | — | 2,172 |
| Net share settlements of stock-based awards | 334,966 | — | (690) | — | — | (690) |
| **Balance at September 30, 2023** | 42,797,861 | $ 4 | $ 366,313 | $ (115,932) | $ (2,707) | $ 247,678 |

## Whole Earth Brands, Inc.
## Condensed Consolidated Statements of Cash Flows
## (In thousands of dollars)
## (Unaudited)

| | Three Months Ended | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| **Operating activities** | | |
| Net loss | $ (9,396) | $ (19,797) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Stock-based compensation | 2,024 | 1,792 |
| Depreciation | 1,642 | 1,690 |
| Amortization of intangible assets | 4,688 | 4,651 |
| Deferred income taxes | 492 | (124) |
| Amortization of debt issuance costs and original issue discount | 587 | 522 |
| Change in fair value of warrant liabilities | (2) | (154) |
| Changes in current assets and liabilities: | | |
| Accounts receivable | 2,430 | 706 |
| Inventories | (9,626) | 1,579 |
| Prepaid expenses and other current assets | (1,416) | (740) |
| Accounts payable, accrued liabilities and income taxes | (1,184) | 14,084 |
| Other, net | 197 | (142) |

| | | |
|---|---|---|
| Net cash (used in) provided by operating activities | (9,564) | 4,067 |
| **Investing activities** | | |
| Capital expenditures | (1,085) | (1,556) |
| Proceeds from the sale of equity method investment | 200 | — |
| Net cash used in investing activities | (885) | (1,556) |
| **Financing activities** | | |
| Proceeds from revolving credit facility | 11,000 | — |
| Repayments of revolving credit facility | (6,000) | (4,000) |
| Repayments of long-term borrowings | (938) | (938) |
| Tax withholdings related to net share settlements of stock awards | (463) | (405) |
| Net cash provided by (used in) financing activities | 3,599 | (5,343) |
| Effect of exchange rate changes on cash and cash equivalents | 87 | 788 |
| **Net change in cash and cash equivalents** | (6,763) | (2,044) |
| Cash and cash equivalents, beginning of period | 30,513 | 28,676 |
| Cash and cash equivalents, end of period | $ 23,750 | $ 26,632 |
| **Supplemental disclosure of cash flow information** | | |
| Interest paid | $ 10,364 | $ 10,284 |
| Taxes paid, net of refunds | $ 1,212 | $ 3,228 |

*See Notes to Unaudited Condensed Consolidated Financial Statements*



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**Whole Earth Brands, Inc.**

**Condensed Consolidated Statements of Cash Flows**

**(In thousands of dollars)**

**(Unaudited)**

| | Nine Months Ended | |
|---|---|---|
| | **September 30, 2023** | **September 30, 2022** |
| **Operating activities** | | |
| Net (loss) income | $ (30,744) | $ 1,531 |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: | | |
| Stock-based compensation | 7,340 | 4,957 |
| Depreciation | 5,038 | 4,324 |
| Amortization of intangible assets | 13,989 | 13,998 |
| Deferred income taxes | 686 | (4,586) |
| Amortization of inventory fair value adjustments | — | (2,537) |
| Amortization of debt issuance costs and original issue discount | 1,664 | 1,450 |
| Change in fair value of warrant liabilities | (75) | (1,240) |
| Changes in current assets and liabilities: | | |
| Accounts receivable | (1,733) | (3,746) |
| Inventories | 952 | (20,926) |

| | | |
|---|---|---|
| Prepaid expenses and other current assets | 1,348 | (1,972) |
| Accounts payable, accrued liabilities and income taxes | 10,972 | (5,196) |
| Other, net | 1,178 | (3,321) |
| Net cash provided by (used in) operating activities | 10,615 | (17,264) |
| **Investing activities** | | |
| Capital expenditures | (4,112) | (6,947) |
| Proceeds from the sale of fixed assets | 18 | 50 |
| Net cash used in investing activities | (4,094) | (6,897) |
| **Financing activities** | | |
| Proceeds from revolving credit facility | — | 54,000 |
| Repayments of revolving credit facility | (6,000) | — |
| Repayments of long-term borrowings | (2,813) | (2,812) |
| Debt issuance costs | (447) | (682) |
| Payment of contingent consideration | — | (29,108) |
| Tax withholdings related to net share settlements of stock awards | (1,444) | (874) |
| Net cash (used in) provided by financing activities | (10,704) | 20,524 |
| Effect of exchange rate changes on cash and cash equivalents | (244) | (3,813) |
| **Net change in cash and cash equivalents** | (4,427) | (7,450) |
| Cash and cash equivalents, beginning of period | 28,676 | 28,296 |
| Cash and cash equivalents, end of period | $ 24,249 | $ 20,846 |
| **Supplemental disclosure of cash flow information** | | |
| Interest paid | $ 31,323 | $ 19,161 |
| Taxes paid, net of refunds | $ 3,844 | $ 7,510 |

*See Notes to Unaudited Condensed Consolidated Financial Statements*



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**Whole Earth Brands, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**(Unaudited)**

## NOTE 1: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Whole Earth Brands, Inc. and its consolidated subsidiaries ("Whole Earth Brands" or the "Company") is a global industry-leading platform, focused on the "better for you" consumer packaged goods ("CPG") and ingredients space. The Company has a global platform of branded products and ingredients, focused on the consumer transition towards natural alternatives and clean label products.

On June 24, 2020, Act II Global Acquisition Corp., a Cayman Islands exempted company ("Act II"), domesticated into a Delaware corporation (the "Domestication"), and on June 25, 2020 (the "Closing"), consummated the indirect acquisition (the "Business Combination") of (i) all of the issued and outstanding equity interests of Merisant Company ("Merisant"), Merisant Luxembourg Sarl ("Merisant Luxembourg"), Mafco Worldwide LLC ("Mafco Worldwide"), Mafco Shanghai LLC ("Mafco Shanghai"), EVD Holdings LLC ("EVD Holdings"), and Mafco Deutschland GmbH (together with Merisant, Merisant Luxembourg, Mafco Worldwide, Mafco Shanghai, and EVD Holdings, and their respective direct and indirect subsidiaries, "Merisant and Mafco Worldwide"), and (ii) certain assets and liabilities of Merisant and Mafco Worldwide included in the Transferred Assets and Liabilities (as defined in the Purchase Agreement (as hereafter defined)), from Flavors Holdings Inc. ("Flavors Holdings"), MW Holdings I LLC ("MW Holdings I"), MW Holdings III LLC ("MW Holdings III"), and Mafco Foreign Holdings, Inc. ("Mafco Foreign Holdings," and together with Flavors Holdings, MW Holdings I, and MW Holdings III, the "Sellers"), pursuant to that certain Purchase Agreement (the "Purchase Agreement") entered into by and among Act II and the Sellers dated as of December 19, 2019, as amended. In connection with the Domestication, Act II changed its name to "Whole Earth Brands, Inc."

Upon the completion of the Domestication, each of Act II's then-issued and outstanding ordinary shares converted, on a one-for-one basis, into shares of common stock of Whole Earth Brands. Additionally, immediately after the Business Combination, the Company issued an aggregate of 7,500,000 shares of Whole Earth Brands common stock and 5,263,500 private placement warrants (the "Private Warrants") exercisable for 2,631,750 shares of Whole Earth Brands common stock to certain investors. On the date of Closing, the Company's common stock and warrants began trading on The Nasdaq Stock Market under the symbols "FREE" and "FREEW," respectively.

As a result of the Business Combination, for accounting purposes, Act II was deemed to be the acquirer and Mafco Worldwide and Merisant Company were deemed to be the acquired parties.

**Basis of Presentation**—The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting. The balance sheet data as of December 31, 2022 December 31, 2023 was derived from the audited consolidated financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated and combined financial statements for the year ended December 31, 2022 December 31, 2023 included in the Company's Annual Report on Form 10-K.

In the opinion of management, the financial statements contain all adjustments necessary to state fairly the financial position of the Company as of September 30, 2023 March 31, 2024 and the results of operations and cash flows for all periods presented. All adjustments in the accompanying unaudited condensed consolidated financial statements, which management believes are necessary to state fairly the financial position, results of operations and cash flows, have been reflected and are of a normal recurring nature. Results of operations for interim periods are not necessarily indicative of results to be expected for the full year.

**Principles of Consolidation**—The condensed consolidated financial statements include the accounts of Whole Earth Brands, Inc., and its indirect and wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

**Use of Estimates**—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the unaudited condensed consolidated financial statements and accompanying notes. Actual results could differ from these estimates.

**Reclassifications**—Certain previously reported amounts have been reclassified to conform to the current presentation.

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**Recently Accounting Standards Not Yet Adopted Accounting Pronouncements**—The Company qualifies as an emerging growth company (an "EGC") and as such, has elected the extended transition period for complying with certain new or revised accounting pronouncements. During the extended transition period, the Company is not subject to certain new or revised accounting standards applicable to public companies.

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In June 2016, November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The standard expands segment disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2023-07 on its consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses 2023-09, "Income Taxes (Topic 326) 740): Improvements to Income Tax Disclosures"." The standard requires entities enhanced disclosure and greater disaggregation of information related to estimate losses the effective tax rate reconciliation and income taxes paid. The standard is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2023-09 on its consolidated financial assets measured statement disclosures.

**NOTE 2: MERGER**

On February 12, 2024, the Company entered into an Agreement of Merger (the "Merger Agreement") with Ozark Holdings, LLC, a Delaware limited liability company ("Parent") and Sweet Oak Merger Sub, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Parent ("Merger Sub"). Upon the terms and subject to the conditions set forth in the Merger Agreement, upon the closing of the transaction, Merger Sub is expected to merge with and into the Company (the "Merger"), with the Company surviving the Merger as a wholly-owned subsidiary of Parent. The transaction is expected to close in the second calendar quarter of 2024, subject to the satisfaction of closing conditions contained in the Merger Agreement, including approval of the Merger by (a) the holders of a majority in voting power of the Company's outstanding common stock, voting as a single class, and (b) the holders of sixty-six and two-thirds percent of the outstanding common stock not owned by Parent or any Parent Affiliated Persons (as defined in the Merger Agreement). Subsequent to completion of the transaction, the Company's common stock will no longer be publicly listed and the Company will become a privately-held company. Subject to the terms and conditions of the Merger Agreement, at amortized cost, the effective time of the Merger (the "Effective Time"):

- each share of the Company's common stock issued and outstanding immediately prior to the Effective Time (other than (i) shares of common stock owned by the Company, its wholly owned subsidiaries, Parent or any of Parent's affiliates and (ii) dissenting shares of common stock) will be converted into the right to receive cash consideration equal to $4.875 per share of common stock (the "Per Share Merger Consideration");
- each warrant to purchase shares of common stock outstanding immediately prior to the Effective Time shall, without any action on the part of the holder thereof, cease to represent a warrant to purchase shares of common stock and instead represent a right by the holder upon any subsequent exercise of such warrant to receive the Per Share Merger Consideration, provided that if the holder of such warrant properly exercises such warrant within 30 days following the public disclosure of the consummation

of the Merger in a current report on Form 8-K, the exercise price of such warrant will be reduced by an amount equal to the difference (but in no event less than zero) of (i) the exercise price of such warrant in effect prior to such reduction minus (ii) (A) the Per Share Merger Consideration minus (B) the Black-Scholes value of such warrant;

- each award of restricted common stock will become immediately fully vested and treated as a share of common stock issued and outstanding immediately prior to the Effective Time;
- each restricted stock unit award with respect to shares of common stock will become fully vested and, after giving effect to such vesting, automatically be cancelled and converted into the right to receive an amount in cash (less any applicable tax withholding) equal to (A) the total number of shares of common stock underlying such award, *multiplied by* (B) the Per Share Merger Consideration; and
- each performance-based restricted stock unit award with respect to shares of common stock will become fully vested based on target level achievement of all performance targets (without application of any modifier) and, after giving effect to such vesting, automatically be cancelled and converted into the right to receive an amount in cash (less any applicable tax withholding) equal to (Y) the total number of shares of common stock underlying such award, *multiplied by* (Z) the Per Share Merger Consideration.

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The Merger Agreement contains customary representations, warranties and covenants of the Company, Parent and Merger Sub, including, trade receivables, debt securities among others, covenants by the Company (i) to conduct its business in the ordinary course during the period between the execution of the Merger Agreement and loans, using consummation of the Merger and (ii) not to engage in certain expressly enumerated transactions during such period. Under the terms of the Merger Agreement, the Company is subject to a customary “no-shop” provision that restricts the Company and its representatives from soliciting a Takeover Proposal (as defined in the Merger Agreement) from third parties or providing information to or participating in any discussions or negotiations with third parties regarding any Takeover Proposal. However, prior to the receipt of the requisite approval of the holders of common stock, the “no-shop” provision permits the Company, under certain circumstances and in compliance with certain obligations set forth in the Merger Agreement, to provide non-public information and engage in discussions and negotiations with respect to an unsolicited Takeover Proposal that would reasonably be expected credit loss model. to lead to a Superior Proposal (as defined in the Merger Agreement).

The expected credit loss model should consider reasonable Merger Agreement also contains certain termination rights for the Company and supportable forecasts Parent, with a termination fee of $20 million payable by the Company to Parent under certain circumstances and a termination fee of $40 million payable by Parent to the Company under certain circumstances. In addition, the Company or Parent may terminate the Merger Agreement if the Merger is not consummated by August 12, 2024.

The Merger Agreement, the Merger and the transactions contemplated thereby were (i) unanimously recommended by a special committee of the board of directors of the Company (the “Board”), consisting solely of disinterested members of the Board, on February 12, 2024 and (ii) unanimously approved by the disinterested members of the Board on February 12, 2024.

The Company’s directors and executive officers may have interests in the Merger that may be different from, or in addition to, the previously considered past events and current conditions. This guidance also includes enhanced requirements for disclosures related to credit loss estimates. Entities must apply the standard provision as a cumulative-effect adjustment to retained earnings as interests of the beginning Company’s stockholders generally. The following is a summary of the first reporting period interests that certain of the Company’s directors and executive officers have in connection with the Merger:

- Parent is controlled by Sir Martin Franklin, the father of Michael E. Franklin, a director. Additionally, Mr. Michael Franklin holds a profits interest in Sababa Holdings FREE LLC, which is an affiliate of Parent and Merger Sub. Mr. Michael Franklin also has the guidance title of Partner in Mariposa Capital, LLC, which is effective. the manager of Parent and Merger Sub. The Company adopted this standard on January 1, 2023. The adoption has been advised by Parent that, following the consummation of this standard did not the Merger, Mr. Michael Franklin may have a material impact senior management position with the surviving company.
- On February 12, 2024, Irwin D. Simon, the Executive Chairman of the Board, entered into a consulting agreement with Parent and the Company, pursuant to which Mr. Simon will provide certain transitional services to the Company following the consummation of the Merger for a term of six months, unless extended or renewed, and will be entitled to a consulting fee of $1.4 million to be paid on the Company’s unaudited condensed consolidated financial statements closing date of the Merger.
- Certain executive officers including the Co-Chief Executive Officers (Rajnish Ohri and related disclosures Jeffrey Robinson), the Chief Financial Officer (Bernardo Fiaux), and a cumulative-effect adjustment was not deemed necessary.

**Warrant Liabilities**—The Company accounts for the Private Warrants in accordance Chief Accounting Officer (Brian Litman) have entered into Transaction Bonus Agreements with ASC Topic 815, “Derivatives and Hedging.” Under the guidance contained in ASC Topic 815-40, the Private Warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies under which they are eligible to receive a cash bonus contingent upon the Private Warrants as liabilities at their fair value and adjusts closing of a “Change in Control” of the warrants to fair value at each reporting period. The liability is subject to re-measurement at each balance sheet date, and any change in fair value is recognized Company (as defined in the Company’s statement of operations. Transaction Bonus Agreements), so long as such Change in Control occurs on or before December 31, 2024.

Derivative Instruments • —Each member of the Board, with the exception of Mr. Franklin, received a special one-time fee for their services in connection with the Merger (for Mr. Simon, this fee was in the amount of $100,000; for Steven M. Cohen, this fee was in the amount of $130,000; for Denise M. Faltischek, this fee was in the amount of $120,000; for Ira D. Lamel, this fee was in the amount of $35,000; and for Anuraag Agarwal and Michael F. Goss, this fee was in the amount of $25,000).

- The vesting of certain unvested equity awards held by certain of the Company’s earnings directors and cash flows executive officers will accelerate upon the effectiveness of the Merger.
- Each of the Company’s directors and officers are subject entitled to fluctuations due to changes in interest rates. The Company uses derivative financial instruments, including interest rate swaps, to manage interest rate exposures continued indemnification and hedge insurance coverage under the variability of interest payments on future

debt obligations. The Company does not use derivative financial instruments for trading or speculative purposes. Merger Agreement and indemnification agreements between us and such individuals.

The Company formally documents all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking hedge transactions. This process includes linking the derivatives designated as cash flow hedges to specific forecasted transactions or variability of cash flows. The Company also formally assesses, both at the inception of a hedge transaction and on an ongoing basis, whether the designated derivatives that are used in hedging transactions are highly effective in offsetting changes in the cash flow foregoing descriptions of the hedged items as well as monitors Merger, the credit worthiness Merger Agreement, and the transactions contemplated thereby are not complete and are qualified in their entirety by the full text of the counterparties Merger Agreement, which is incorporated by reference as an exhibit to ensure no issues exist which would affect this report. For more information about the value of Merger, see the derivatives. When a derivative is determined not to be highly effective preliminary proxy statement, as a hedge or the underlying hedged transaction is no longer probable, amended, initially filed by the Company discontinues hedge accounting prospectively with the Securities and reclassifies any hedge related gains or losses previously recorded in other comprehensive income (loss) to other expense (income) within the statement of operations.

To the extent the hedge is effective, the Company records derivative financial instruments at fair value in its condensed consolidated balance sheet and changes in the fair value are recorded in accumulated other comprehensive income (loss) and reclassified to earnings when the hedged item affects earnings. Cash flows from derivative instruments are classified in the condensed consolidated statements of cash flows based Exchange Commission on the nature of the derivative contract. Additional information pertaining to the Company's derivative instruments is provided in Note 7.

No other significant accounting policies and estimates have changed from those detailed in Note 1 to the Company's audited consolidated and combined financial statements for the year ended December 31, 2022 March 15, 2024.



## NOTE 2: BUSINESS COMBINATION

On December 17, 2020, the Company entered into a stock purchase agreement (the "Wholesome Purchase Agreement") with WSO Investments, Inc. ("WSO Investments" and together with its subsidiaries, "Wholesome" and affiliates). WSO Investments is the direct parent of its wholly-owned subsidiary Wholesome Sweeteners, Incorporated, which was formed to import, market, distribute, and sell organic sugars, unrefined specialty sugars, and related products. Wholesome is included within the Company's Branded CPG reportable segment. Wholesome's results are included in the Company's consolidated statement of operations from the date of acquisition.

On February 5, 2021, pursuant to the terms of the Wholesome Purchase Agreement, the Company purchased and acquired all of the issued and outstanding shares of capital stock for an initial cash purchase price of $180 million plus up to an additional $55 million (the "Earn-Out Amount") upon the satisfaction of certain post-closing financial metrics. Subject to the terms and conditions of the Wholesome Purchase Agreement, payment of the Earn-Out Amount, in whole or in part, was subject to Wholesome achieving certain EBITDA thresholds at or above approximately $30 million during the period beginning August 29, 2020, and ending December 31, 2021 (the "Earn-Out Period"). A portion of the Earn-Out Amount (up to $27.5 million) could be paid, at the Company's election, in freely tradeable, registered shares of Company common stock calculated using the 20-day volume weighted average trading price per share as of the date of determination. Calculation of the achievement of the Earn-Out Amount was subject to certain adjustments more thoroughly described in the Wholesome Purchase Agreement.

Following the completion of the Earn-Out Period, the Company determined, in accordance with the terms of the Purchase Agreement, that the sellers were entitled to receive the Earn-Out Amount in full. The Company elected to satisfy part of the Earn-Out Amount in common stock and on February 23, 2022, issued 2,659,574 shares of the Company's common stock. The remaining $30 million portion of the $55 million Earn-Out Amount was paid in cash which was funded from available capacity under the Company's revolving credit facility. The settlement of the earn-out resulted in a non-cash gain of $1.1 million that was recorded in the first quarter of 2022 which represents the difference in the value of the common stock issued using the 20-day volume weighted average trading price per share as compared to the trading price on the date of issuance.

## NOTE 3: INVENTORIES

Inventories consisted of the following (in thousands):

| | | | | |
|---|---|---|---|---|
| | | **March 31, 2024** | | |
| | | **September 30, 2023** | **December 31, 2022** | |
| | | **March 31, 2024** | | |
| | | **March 31, 2024** | | **December 31, 2023** |
| Raw materials and supplies | Raw materials and supplies | $ 133,231 | $ 129,131 | |
| Work in process | Work in process | 1,696 | 1,835 | |

| | | | |
|---|---|---|---|
| Finished goods | Finished goods | 81,876 | 88,009 |
| Total inventories | Total inventories | $ 216,803 | $ 218,975 |

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**NOTE 4: GOODWILL AND OTHER INTANGIBLE ASSETS**

Goodwill and other intangible assets consisted of the following (in thousands):

| | | September 30, 2023 | | | December 31, 2022 | | |
|---|---|---|---|---|---|---|---|
| | | Gross Amount | Accumulated Amortization | Net Amount | Gross Amount | Accumulated Amortization | Net Amount |
| | | March 31, 2024 | | | | | |
| | | March 31, 2024 | | | | | |
| | | March 31, 2024 | | | December 31, 2023 | | |
| | | Gross Amount | | | Gross Amount / Accumulated Amortization / Net Amount | Gross Amount / Accumulated Amortization | Net Amour |
| **Other intangible assets subject to amortization** | **Other intangible assets subject to amortization** | | | | | | |
| Customer relationships (useful life of 5 to 10 years) | | | | | | | |
| Customer relationships (useful life of 5 to 10 years) | | | | | | | |
| Customer relationships (useful life of 5 to 10 years) | Customer relationships (useful life of 5 to 10 years) | $ 105,150 | $ (34,921) | $ 70,229 | $105,298 | $ (26,137) | $ 79,161 |
| Tradenames (useful life of 25 years) | Tradenames (useful life of 25 years) | 170,801 | (20,541) | 150,260 | 171,013 | (15,498) | 155,515 |
| Total | Total | $ 275,951 | $ (55,462) | 220,489 | $276,311 | $ (41,635) | 234,676 |
| **Other intangible assets not subject to amortization** | **Other intangible assets not subject to amortization** | | | | | | |
| Product formulations | Product formulations | | | 10,700 | | | 10,700 |
| Product formulations | | | | | | | |
| Product formulations | | | | | | | |
| Total other intangible assets, net | Total other intangible assets, net | | | 231,189 | | | 245,376 |
| Goodwill | Goodwill | | | 192,506 | | | 193,139 |
| Total goodwill and other intangible assets | Total goodwill and other intangible assets | | | $423,695 | | | $438,515 |

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, goodwill at Branded CPG was $188.9 million $182.8 million and $189.5 million $190.0 million, respectively. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, goodwill at Flavors & Ingredients was $3.6 million and $3.7 million, respectively. The change in the goodwill balances is due to fluctuations in foreign exchange rates.

The amortization expense for intangible assets was $4.6 million and $14.0 million $4.7 million for both the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $4.6 million and $14.0 million for the three and nine months ended September 30, 2022, respectively. 2023.

Amortization expense relating to amortizable intangible assets as of September 30, 2023 March 31, 2024 for the next five years is expected to be as follows (in thousands):

| | | | |
|---|---|---|---|
| Remainder of 2023 | | $ | 4,718 |
| 2024 | | | 18,708 |
| Remainder of 2024 | | | |
| 2025 | 2025 | | 18,464 |
| 2026 | 2026 | | 18,234 |
| 2027 | 2027 | | 17,017 |
| 2028 | 2028 | | 15,024 |
| 2029 | | | |

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**NOTE 5: DEBT**

Debt consisted of the following (in thousands):

| | | September 30, 2023 | December 31, 2022 | | |
|---|---|---|---|---|---|
| | March 31, 2024 | | | March 31, 2024 | December 31, 2023 |
| Term loan, due 2028 | Term loan, due 2028 | $ 365,625 | $ 368,438 | | |
| Revolving credit facility, due 2026 | Revolving credit facility, due 2026 | 70,000 | 76,000 | | |
| Less: current portion | Less: current portion | (3,750) | (3,750) | | |
| Less: unamortized discount and debt issuance costs | Less: unamortized discount and debt issuance costs | (7,395) | (8,516) | | |
| Total long-term debt | Total long-term debt | $ 424,480 | $ 432,172 | | |

**Loan Agreement**—At both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's senior secured loan agreement consisted of a senior secured term loan facility (the "Term Loan Facility") of $375 million and a revolving credit facility of up to $125 million (the "Revolving Facility," and together with the Term Loan Facility, the "Credit Facilities"). As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, term loan borrowings were $358.2 million $357.1 million and $359.9 million $357.7 million, respectively, net of unamortized discount and debt issuance costs of $7.4 million $6.6 million and $8.5 million $7.0 million, respectively. There were $70.0 million $69.0 million and $76.0 million $64.0 million of borrowings under the revolving credit facility as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Additionally, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's unamortized debt issuance costs related to the revolving credit facility were $1.9 million $1.5 million and $2.0 million $1.7 million, respectively, which are included in other assets in the condensed consolidated balance sheet. As of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, there were $2.8 million and $2.1 million, respectively, $3.3 million of outstanding letters of credit that reduced the Company's availability under the revolving credit facility. See Note 7 to the Company's consolidated and combined financial statements in its Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 for further information and significant terms and conditions associated with the Term Loan Facility and Revolving Facility.

As further described in Note 2, following the completion of the Wholesome Earn-Out Period, the Company determined, in accordance with the terms of the Purchase Agreement, that the sellers were entitled to receive the Earn-Out Amount in full. The Company elected to satisfy part of the Earn-Out Amount in common stock and on February 23, 2022, issued 2,659,574 shares of the Company's common stock. The remaining $30 million portion of the $55 million Earn-Out Amount was paid in cash which was funded from available capacity under the Company's revolving credit facility.

On June 15, 2022, the Company and certain of its subsidiaries entered into a first amendment (the "First Amendment") to the Amended and Restated Loan Agreement dated as of February 5, 2021 (the "Amended and Restated Loan Agreement"). The First Amendment increased the aggregate principal amount of the Revolving Credit Facility from $75 million to $125 million (the "Amended Revolving Credit Facility") and transitioned from LIBOR to Secured Overnight Financing Rate ("SOFR") as the benchmark for purposes of calculating interest for all loans outstanding under the Amended and Restated Loan Agreement. At the election of the Company, loans outstanding under the Amended and Restated Loan Agreement will accrue interest at a rate per annum equal to (i) term SOFR plus 0.10%, 0.15%, or 0.25% in case of, respectively, a one-month, three-month, or six-month interest period ("Adjusted Term SOFR"), or (ii) the greater of the prime rate, the federal funds effective rate plus 0.50%, and one-month Adjusted Term SOFR plus 1.00%, in each case plus the applicable margin which is equal to (i) with respect to Amended Revolving Credit Facility and letters of credit, (A) 2.75%, in the case of base rate advances, and (B) 3.75% in the case of SOFR advances, and (ii) with respect to the Term Loan Facility, (A) 3.50%, in the case of base rate advances, and (B) 4.50% in the case of SOFR advances, with a SOFR floor of 1.00%. In connection with the Amendment, the Company paid fees and incurred transaction costs of $0.7 million, all of which was deferred.

The transition to SOFR did not materially impact the interest rates applied to the Company's borrowings. No other material changes were made to the terms of the Company's Amended and Restated Loan Agreement as a result of the First Amendment.

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On April 24, 2023, the Company and certain of its subsidiaries entered into a second amendment (the "Second Amendment") to the Amended and Restated Loan Agreement. The Second Amendment changed the maximum consolidated total leverage ratio covenant as follows: (i) the consolidated total leverage ratio will temporarily increase increased by 0.25 turns for the first quarter of 2023, 0.5 turns on a quarterly basis through the fourth quarter of 2023, and 0.25 turns in the first quarter of 2024; and (ii) beginning in the second quarter of 2024, the consolidated total leverage ratio will return to a level not to exceed 5.5x. No other material changes were made in terms of the Company's Amended and Restated Agreement as a result of the Second Amendment.

On October 5, 2023, the Company and certain of its subsidiaries entered into a third amendment (the "Third Amendment") to the Amended and Restated Loan Agreement. The Third Amendment revised a clause in the definition of consolidated EBITDA used for determining compliance with financial covenants effective beginning with the second quarter of 2023 through the first quarter of 2024. The amendment did not impact the calculation of consolidated EBITDA previously determined for the second quarter of 2023.

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**NOTE 6: WARRANTS**

As of the date of the Business Combination, the Company had approximately 20,263,500 warrants outstanding, consisting of (i) 15,000,000 public warrants originally sold as part of the units issued in Act II's initial public offering (the "Public Warrants") and (ii) 5,263,500 Private Warrants that were sold by Act II to the PIPE Investors in conjunction with the Business Combination (collectively with the Public Warrants, the "Warrants"). Each warrant is exercisable for one-half of one share of the Company's common stock at a price of $11.50 per whole share, subject to adjustment. Warrants may only be exercised for a whole number of shares as no fractional shares will be issued. As of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, the Company had 20,193,120 and 19,491,320 Public Warrants outstanding respectively, and 70,180 and 771,980 Private Warrants outstanding, respectively. outstanding. There were no Warrants exercised for shares of the Company's common stock in the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023.

**NOTE 7: FAIR VALUE MEASUREMENTS**

The Company measures and records in its consolidated financial statements certain assets and liabilities at fair value. ASC Topic 820 "Fair Value Measurement and Disclosures," establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). This hierarchy consists of the following three levels:

- Level 1 – Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2 – Assets and liabilities whose values are based on inputs other than those included in Level 1, including quoted market prices in markets that are not active; quoted prices of assets or liabilities with similar attributes in active markets; or valuation models whose inputs are observable or unobservable but corroborated by market data.
- Level 3 – Assets and liabilities whose values are based on valuation models or pricing techniques that utilize unobservable inputs that are significant to the overall fair value measurement.

On June 9, 2023, the Company entered into an interest rate swap with a notional value of $183.3 million that matures on February 5, 2026 to exchange variable for fixed rate interest payments related to the Term Loan Facility. The effective date of the interest rate swap was June 30, 2023. The interest rate swap is designated as a cash flow hedge and is considered highly effective. As a result, no ineffectiveness has been recognized in the condensed consolidated statement of operations during the three and nine months ended September 30, 2023. As of September 30, 2023, the fair value of the interest rate swap was recorded in other assets in the condensed consolidated balance sheet in the amount of approximately $2.0 million with the unrealized gain recognized in other comprehensive income (loss). The change in fair value will subsequently be reclassified from other comprehensive income (loss) to interest expense, net in the periods when the hedge transaction affects earnings. Realized gains, net of tax of $0.3 million were reclassified to net income in the three and nine months ended September 30, 2023. As of September 30, 2023, the Company expects approximately $1.9 million of the unrealized gain to be reclassified from other comprehensive income (loss) to interest expense, net over the next twelve months. The interest rate swap fair value is considered Level 2 within the fair value hierarchy as it includes quoted market prices for similar instruments as well as interest rates and yield curves that are observable in the market.

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Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

*Current Assets and Other Financial Assets and Liabilities*—Cash and cash equivalents, trade accounts receivable and trade accounts payable are measured at carrying value, which approximates fair value because of the short-term maturities of these instruments. Certain of the Company's cash equivalents are held in money market funds and are valued using Net Asset Value.

*Investment in securities Securities*—The Company has assets in an investment fund that holds surplus funds from its terminated qualified pension plan that will be is being used to fund future contributions to the defined contribution plan at Flavors & Ingredients and is presented in other assets in the condensed consolidated balance sheet. The investment is classified as available-for-sale and carried at fair market value. At September 30, 2023 March 31, 2024, both the estimated fair value and cost basis of the investment fund was $2.3 million $2.0 million. At December 31, 2023, both the estimated fair value and cost basis of the investment fund was $2.2 million. The estimated fair value of the investment fund utilized Level 2 inputs.

*Debt*—The Company measures its term loan and revolving facilities at original carrying value, net of unamortized deferred financing costs and fees. At September 30, 2023 March 31, 2024, the estimated fair value of the term loan was $332.7 million $364.2 million as compared to a carrying value of $358.2 million $357.1 million. At December 31, 2022 December 31, 2023, the estimated fair value of the term loan was $338.0 million $317.3 million as compared to a carrying value of $359.9 million $357.7 million. The estimated fair value of the outstanding principal balance of the term loan utilized Level 2 inputs as it is based on quoted market prices for identical or similar instruments. The fair value of the revolving facility at both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 approximated carrying value.

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On June 9, 2023, the Company entered into an interest rate swap with a notional value of $183.3 million that matures on February 5, 2026 to exchange variable for fixed rate interest payments related to the Term Loan Facility. The effective date of the interest rate swap was June 30, 2023. The interest rate swap is designated as a cash flow hedge and is considered highly effective. As a result, no ineffectiveness has been recognized in the condensed consolidated statement of operations during the three months ended March 31, 2024. As of March 31, 2024, the fair value of the interest rate swap was recorded in other assets in the condensed consolidated balance sheet in the amount of approximately $0.9 million with the unrealized gain recognized in other comprehensive income (loss). The change in fair value will subsequently be reclassified from other comprehensive income (loss) to interest expense, net in the periods when the hedge transaction affects earnings. Realized gains, net of tax of $0.4 million were reclassified to net income in the three months ended March 31, 2024. As of March 31, 2024, the Company expects approximately $1.2 million of the unrealized gain to be reclassified from other comprehensive income (loss) to interest expense, net over the next twelve months. The interest rate swap fair value is considered Level 2 within the fair value hierarchy as it includes quoted market prices for similar instruments as well as interest rates and yield curves that are observable in the market.

## NOTE 8: COMMITMENTS AND CONTINGENCIES

The Company is subject to various claims, pending and possible legal actions for product liability and other damages, and other matters arising out of the conduct of the business. The Company believes, based on current knowledge and consultation with counsel, that the outcome of such claims and actions will not have a material adverse effect on the Company's condensed consolidated financial position or results of operations.

## NOTE 9: INCOME TAXES

The Company's provision for income taxes consists of U.S., state and local, and foreign taxes. The Company has significant operations in various locations outside the U.S. The annual effective tax rate is a composite rate reflecting the earnings in the various locations at their applicable statutory tax rates. At each interim period, the Company updates its estimate of the annual effective tax rate and records cumulative adjustments as necessary. The Company has historically calculated the provision for income taxes during interim reporting periods by applying an estimate of the annual effective tax rate for the full year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period. ASC 740, "Income Taxes," allows the use of the year-to-date effective tax rate (the "discrete method") when a reliable estimate of the estimated annual effective tax rate cannot be made. During the three months ended March 31, 2024, the Company determined the use of the discrete method is more appropriate than the annual effective tax rate method due to sensitivity to small changes to projected pre-tax earnings, which resulted in significant variations in the customary relationship between income tax expense and pre-tax earnings. As such, the Company has discretely calculated the income tax provision based on its pre-tax earnings for the three months ended March 31, 2024.

The Company's income tax provision was $0.5 million $1.9 million for the three months ended September 30, 2023, which includes a discrete tax benefit of $0.6 million related primarily to the finalization of the Company's 2022 U.S. federal tax return and certain foreign tax returns during the quarter ended September 30, 2023 March 31, 2024. The effective tax rate for the three months ended September 30, 2023 March 31, 2024 was (10.7% (25.2%) on a pre-tax loss of $4.9 million $7.5 million. The effective tax rate differs from the statutory federal rate of 21% primarily due to an increase in the valuation allowance related to interest expense for which deductibility is limited under IRC §163(j), foreign income at different rates, non-deductible permanent differences, and state and local taxes recorded during the period.

The Company's income tax provision was $11.5 million for the three months ended March 31, 2023, which includes a discrete tax provision of $1.0 million related primarily to tax expense for a shortfall on the tax benefits on stock-based awards that have vested and the remeasurement of state deferred taxes as a result of state law changes enacted during the quarter. The effective tax rate for the three months ended March 31, 2023 was an income tax provision of (137.6%) on a pre-tax loss of $8.3 million which differs from the statutory federal rate of 21% primarily due to an increase in the valuation allowance related to interest expense for which deductibility is limited under IRC §163(j), foreign income at different rates, non-deductible permanent differences, state and local taxes, and the U.S. tax effect of international operations including Global Intangible Low-Taxed Income ("GILTI") recorded during the period, partially offset with the discrete tax benefit described above.

The Company's income tax provision was $9.2 million for the nine months ended September 30, 2023, which includes a discrete tax provision of $0.6 million primarily related to tax expense for a shortfall of the tax benefits on stock-based awards that have vested and the remeasurement of state deferred tax assets as a result of state law changes enacted during the first nine months of 2023, offset by the $0.6 million tax benefit related to the finalization of the Company's 2022 U.S. federal tax return and foreign tax returns during the quarter ended September 30, 2023. The effective tax rate for the nine months ended September 30, 2023 was (43.0%) on a pre-tax loss of $21.5 million which differs from the statutory federal rate of 21% primarily due to an increase in the valuation allowance related to interest expense for which deductibility is limited under IRC §163(j), foreign income at different rates, non-deductible permanent differences, state and local taxes, the U.S. tax effect of international operations including GILTI recorded during the period, and the discrete tax provision described above.

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The Company's income tax provision was $1.4 million for the three months ended September 30, 2022, which includes a discrete tax provision of $0.4 million related primarily to the finalization of the Company's 2021 U.S. federal and state tax returns during the quarter ended September 30, 2022. The effective tax rate for the three months ended September 30, 2022 was (126.3%) on pre-tax loss of $1.1 million which differs from the statutory federal rate of 21% primarily due to state and local taxes, non-deductible permanent differences, limited benefit on current year interest deductions and losses in certain jurisdictions, the change in the fair value of warrant liabilities, foreign income at different rates and the U.S. tax effect of international operations including GILTI recorded during the period, and the discrete tax provision described above.

The Company's income tax provision was $3.4 million for the nine months ended September 30, 2022, which includes a discrete tax provision of $0.5 million related primarily to the finalization of the Company's 2021 U.S. federal and state tax returns during the quarter ended September 30, 2022. The effective tax rate for the nine months ended September 30, 2022 was an income tax provision of 68.7% on pre-tax income of $4.9 million which differs from the statutory federal rate of 21% primarily due to state and local taxes, non-deductible permanent differences, limited benefit on current year interest deductions and losses in certain jurisdictions, the change in the fair value of warrant liabilities, foreign income at different rates and the U.S. tax effect of international operations including GILTI recorded during the period, and the discrete tax provision described above.

At both September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had an uncertain tax position liability of $0.2 million, including interest and penalties. The unrecognized tax benefits include amounts related primarily to various state tax issues.

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**NOTE 10: STOCK-BASED COMPENSATION**

On June 24, 2020, the Whole Earth Brands, Inc. 2020 Long-Term Incentive Plan (the "2020 Plan") was approved for the purpose of promoting the long-term financial interests and growth of the Company and its subsidiaries by attracting and retaining management and other personnel and key service providers. On June 8, 2023, the Company's stockholders' approved the Amended and Restated Whole Earth Brands, Inc. 2020 Long-Term Incentive Plan (the "Amended 2020 Plan"), which increased the number of shares authorized under the Amended 2020 Plan by 4,000,000 shares. Subsequent to the amendment and restatement, an aggregate of 13,300,000 shares of common stock are authorized for issuance under the Amended 2020 Plan. The Plan provides for the granting of stock options ("SOs"), stock appreciation rights ("SARs"), restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance shares, performance share units ("PSUs") and other stock-based awards to officers, employees and non-employee directors of, and certain other service providers to, the Company and its subsidiaries. These awards are settled in shares of the Company's stock and therefore classified as equity awards.

RSUs generally vest ratably on the anniversary of the grant date over a period of one to three years, depending on the specific terms of each RSU agreement.

PSU awards generally cliff vest subsequent to the completion of the cumulative three-year performance period, depending on the period specified in each respective PSU agreement. The number of PSUs that ultimately vest depends on the Company's performance relative to specified cumulative financial targets established for each grant and are expected to be settled in stock.

Stock-based compensation expense for the three and nine months ended September 30, 2023 March 31, 2024 and 2023 was $2.5 million $2.0 million and $7.3 million $1.8 million, respectively. Stock-based compensation expense for

A summary of activity and weighted average fair values related to the three RSUs is as follows:

| | Three Months Ended March 31, 2024 | |
|---|---|---|
| | Shares | Weighted Average Grant Date Fair Value (per share) |
| Outstanding at December 31, 2023 | 2,116,671 | $ 3.19 |
| Granted | 26,954 | 3.71 |
| Vested | (118,703) | 9.14 |
| Forfeited | (12,593) | 2.36 |
| Outstanding and nonvested at March 31, 2024 | 2,012,329 | $ 2.85 |

A summary of activity and nine months ended September 30, 2022 was $1.7 million and $5.0 million, respectively. weighted average fair values related to the RSAs is as follows:

| | Three Months Ended March 31, 2024 | |
|---|---|---|
| | Shares | Weighted Average Grant Date Fair Value (per share) |
| Outstanding at December 31, 2023 | 214,556 | $ 5.06 |
| Outstanding and nonvested at March 31, 2024 | 214,556 | $ 5.06 |

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A summary of activity and weighted average fair values related to the RSUs is as follows:

| | Nine Months Ended September 30, 2023 | |
|---|---|---|
| | Shares | Weighted Average Grant Date Fair Value (per share) |
| Outstanding at December 31, 2022 | 1,538,759 | $ 6.65 |
| Granted | 3,014,658 | 2.56 |
| Vested | (1,205,687) | 6.29 |
| Forfeited | (361,178) | 3.99 |
| Outstanding and nonvested at September 30, 2023 | 2,986,552 | $ 3.02 |

A summary of activity and weighted average fair values related to the RSAs is as follows:

| | Nine Months Ended September 30, 2023 | |
|---|---|---|
| | Shares | Weighted Average Grant Date Fair Value (per share) |
| Outstanding at December 31, 2022 | 131,470 | $ 8.75 |
| Granted | 141,280 | 4.07 |
| Vested | (14,862) | 8.75 |
| Outstanding and nonvested at September 30, 2023 | 257,888 | $ 6.18 |

A summary of activity and weighted average fair values related to the PSUs is as follows:

| | Nine Months Ended September 30, 2023 | |
|---|---|---|
| | Shares | Weighted Average Grant Date Fair Value (per share) |
| Outstanding at December 31, 2022 | 631,377 | $ 8.49 |
| Granted | 1,934,388 | 2.20 |
| Forfeited | (209,885) | 4.73 |

| | | |
|---|---|---|
| Outstanding and nonvested at September 30, 2023 | 2,355,880 | $ 3.66 |

| | Three Months Ended March 31, 2024 | |
|---|---|---|
| | Shares | Weighted Average Grant Date Fair Value (per share) |
| Outstanding at December 31, 2023 | 1,530,360 | $ 4.21 |
| Vested | (181,576) | 3.95 |
| Forfeited | (20,171) | 3.75 |
| Outstanding and nonvested at March 31, 2024 | 1,328,613 | $ 3.17 |

As of September 30, 2023 March 31, 2024, the Company had not yet recognized compensation costs on nonvested awards as follows (in thousands):

| | Unrecognized Compensation Cost | Weighted Avg. Remaining Recognition Period (in years) |
|---|---|---|
| Nonvested awards | $ 9,976 | 1.33 |

| | Unrecognized Compensation Cost | Weighted Avg. Remaining Recognition Period (in years) |
|---|---|---|
| Nonvested awards | $ 5,981 | 1.26 |

The nonvested awards excludes unvested PSUs that are deemed not probable of vesting constituting $4.7 million $2.2 million of unrecognized compensation expense at September 30, 2023 March 31, 2024.

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**NOTE 11: EARNINGS PER SHARE**

Basic earnings (loss) per common share (“EPS”) is calculated by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Warrants issued are not considered outstanding at the date of issuance. RSUs and RSAs also are not considered outstanding until they have vested. Contingently issuable shares associated with outstanding PSUs that have cliff vesting based on achievement of a performance condition were not included in the earnings per share calculations for the periods presented as the applicable vesting conditions had not been satisfied.

Diluted EPS is calculated by dividing net income (loss) by the weighted average shares outstanding assuming dilution. Dilutive common shares outstanding is computed using the treasury stock method and reflects the additional shares that would be outstanding if dilutive warrants were exercised and restricted stock units and restricted stock awards were settled for common shares during the period.

For warrants that are liability-classified, during the periods when the impact would be dilutive, the Company assumes share settlement of the instruments as of the beginning of the reporting period and adjusts the numerator to remove the change in the fair value of warrant liability and adjusts the denominator to include the dilutive shares using the treasury stock method.

The computation of basic and diluted earnings (loss) per common share is shown below (in thousands, except for share and per share data):

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| EPS numerator: | | | | |
| Net (loss) income attributable to common shareholders | $ (5,430) | $ (2,521) | $ (30,744) | $ 1,531 |
| EPS denominator: | | | | |
| Weighted average shares outstanding - basic | 42,683,990 | 41,976,865 | 42,361,816 | 41,311,366 |
| Effect of dilutive securities | — | — | — | 17,719 |

| | | | | |
|---|---|---|---|---|
| Weighted average shares outstanding - diluted | 42,683,990 | 41,976,865 | 42,361,816 | 41,329,085 |
| Net (loss) earnings per share: | | | | |
| Basic | $ (0.13) | $ (0.06) | $ (0.73) | $ 0.04 |
| Diluted | $ (0.13) | $ (0.06) | $ (0.73) | $ 0.04 |

For the three and nine months ended September 30, 2023, 20,263,300 warrants, 2,986,552 RSUs, and 257,888 RSAs were excluded from the diluted EPS calculation because they were determined to be anti-dilutive. For the three months ended September 30, 2022, 20,263,300 warrants, 1,937,099 RSUs, and 131,470 RSAs were excluded from the diluted EPS calculation because they were determined to be anti-dilutive. For the nine months ended September 30, 2022, 20,263,300 warrants and 1,937,099 RSUs were excluded from the diluted EPS calculation because they were determined to be anti-dilutive. Additionally, at September 30, 2023 and 2022, 2,355,880 and 784,822 PSUs, respectively, were excluded from the diluted EPS calculation because they are subject to performance conditions that were not satisfied.

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The computation of basic and diluted earnings (loss) per common share is shown below (in thousands, except for share and per share data):

| | Three Months Ended | |
|---|---|---|
| | **March 31, 2024** | **March 31, 2023** |
| EPS numerator: | | |
| Net (loss) income attributable to common shareholders | $ (9,396) | $ (19,797) |
| EPS denominator: | | |
| Weighted average shares outstanding - basic | 42,884,373 | 42,054,904 |
| Effect of dilutive securities | — | — |
| Weighted average shares outstanding - diluted | 42,884,373 | 42,054,904 |
| Net (loss) earnings per share: | | |
| Basic | $ (0.22) | $ (0.47) |
| Diluted | $ (0.22) | $ (0.47) |

For the three months ended March 31, 2024, 20,263,300 warrants, 2,012,329 RSUs, and 214,556 RSAs were excluded from the diluted EPS calculation because they were determined to be anti-dilutive. For the three months ended March 31, 2023, 20,263,300 warrants, 1,162,688 RSUs, and 131,470 RSAs were excluded from the diluted EPS calculation because they were determined to be anti-dilutive. Additionally, at March 31, 2024 and 2023, 1,328,613 and 629,305 PSUs, respectively, were excluded from the diluted EPS calculation because they are subject to performance conditions that were not satisfied.

## NOTE 12: ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following table summarizes accumulated other comprehensive income (loss) ("AOCI"), net of taxes, by component (in thousands):

| | Net Currency Translation Gains (Losses) | Cash Flow Hedges | Funded Status of Benefit Plans | Total Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|
| Balance at December 31, 2021 | $ 8,758 | $ — | $ 929 | $ 9,687 |
| Other comprehensive loss before reclassifications | (2,003) | — | — | (2,003) |
| Amounts reclassified from AOCI | — | — | (224) | (224) |
| Balance at March 31, 2022 | 6,755 | — | 705 | 7,460 |
| Other comprehensive loss before reclassifications | (14,848) | — | — | (14,848) |
| Amounts reclassified from AOCI | — | — | 17 | 17 |
| Balance at June 30, 2022 | (8,093) | — | 722 | (7,371) |

| | | | | |
|---|---|---|---|---|
| Other comprehensive loss before reclassifications | (13,522) | — | — | (13,522) |
| Amounts reclassified from AOCI | — | — | 21 | 21 |
| Balance at September 30, 2022 | $ (21,615) | $ — | $ 743 | $ (20,872) |

| | Net Currency Translation Gains (Losses) | | Net Currency Translation Gains (Losses) | Cash Flow Hedges | Funded Status of Benefit Plans | Total Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|---|---|
| Balance at December 31, 2022 | Balance at December 31, 2022 | | $ (4,711) | $ — | $ 3,669 | $ (1,042) |
| Other comprehensive income before reclassifications | Other comprehensive income before reclassifications | | 4,416 | — | — | 4,416 |
| Amounts reclassified from AOCI | Amounts reclassified from AOCI | | — | — | (12) | (12) |
| Balance at March 31, 2023 | Balance at March 31, 2023 | | (295) | — | 3,657 | 3,362 |
| Balance at December 31, 2023 | | | | | | |
| Balance at December 31, 2023 | | | | | | |
| Balance at December 31, 2023 | | | | | | |
| Other comprehensive (loss) income before reclassifications | Other comprehensive (loss) income before reclassifications | | (2,371) | 655 | — | (1,716) |
| Amounts reclassified from AOCI | Amounts reclassified from AOCI | | — | — | (11) | (11) |
| Balance at June 30, 2023 | | | (2,666) | 655 | 3,646 | 1,635 |
| Other comprehensive (loss) income before reclassifications | | | (5,140) | 1,149 | — | (3,991) |
| Amounts reclassified from AOCI | | | — | (339) | (12) | (351) |
| Balance at September 30, 2023 | | | $ (7,806) | $ 1,465 | $ 3,634 | $ (2,707) |
| Balance at March 31, 2024 | | | | | | |

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**Whole Earth Brands, Inc.**
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**NOTE 13: RELATED PARTY TRANSACTIONS**

In December 2019, Wholesome entered into a partnership agreement with Sucro Can International, LLC ("Sucro") to form WS Services, LLC ("WS Services"), in which Wholesome received a 50% interest and accounts accounted for the partnership as an equity method investment. Wholesome's investment in On December 31, 2023, Wholesome sold its 50% partnership interest to Sucro and exited the partnership which is classified as other assets in the condensed consolidated balance sheet, exchange for a $0.2 million promissory note that was $0.7 million as of both September 30, 2023 due and December 31, 2022 received on March 30, 2024. During the three and nine months ended September 30, 2023 and 2022, March 31, 2023, the Company expensed $0.1 million, $0.5 million, $0.2 million and $0.7 million respectively, related to costs incurred by WS Services for Wholesome's use of a warehouse space for storage of raw materials. The Company has had a liability to WS Services of approximately $0.1 million as of both September 30, 2023 December 31, 2023.

On February 12, 2024, the Company entered into an Agreement of Merger with Ozark Holdings, LLC and December 31, 2022. Sweet Oak Merger Sub, LLC, which is a wholly-owned subsidiary of Ozark Holdings, LLC. Ozark Holdings, LLC owns Royal Oak Enterprises, LLC and is controlled by Sir Martin E. Franklin, who is an immediate family member of Mr. Michael Franklin, a current director and former CEO of the Company. Mr. Michael Franklin has a passive economic interest in Mariposa Capital LLC, which is an affiliate of Ozark Holdings, LLC. See Note 2 for further information.

**NOTE 14: BUSINESS SEGMENTS**

The Company has two reportable segments: Branded CPG and Flavors & Ingredients. In addition, the Company's corporate office functions are reported and included under Corporate. Corporate is not a reportable or operating segment but is included for reconciliation purposes and includes the costs for the corporate office administrative activities as well as transaction-related and other costs. The Company does not present assets by reportable segments as they are not reviewed by the Chief Operating Decision Maker for purposes of assessing segment performance and allocating resources.

The following table presents selected financial information relating to the Company's business segments (in thousands):

| | | Three Months Ended | | Nine Months Ended | | | |
|---|---|---|---|---|---|---|---|
| | | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | | |
| | | Three Months Ended | | | | | |
| | | Three Months Ended | | | | | |
| | | Three Months Ended | | | | | |
| | March 31, 2024 | | | | | March 31, 2024 | March 31, 2023 |
| **Product revenues, net** | **Product revenues, net** | | | | | | |
| Branded CPG | | | | | | | |
| Branded CPG | | | | | | | |
| Branded CPG | Branded CPG | $ 103,270 | $ 105,373 | $ 307,581 | $ 313,207 | | |
| Flavors & Ingredients | Flavors & Ingredients | 31,160 | 29,907 | 92,168 | 86,168 | | |
| Total product revenues, net | Total product revenues, net | $ 134,430 | $ 135,280 | $ 399,749 | $ 399,375 | | |
| **Operating income** | **Operating income** | | | | | | |
| **Operating income** | | | | | | | |
| **Operating income** | | | | | | | |
| Branded CPG | | | | | | | |
| Branded CPG | | | | | | | |
| Branded CPG | Branded CPG | $ 7,202 | $ 5,518 | $ 7,820 | $ 17,555 | | |
| Flavors & Ingredients | Flavors & Ingredients | 8,448 | 7,287 | 26,989 | 24,137 | | |
| | | 15,650 | 12,805 | 34,809 | 41,692 | | |
| | 13,573 | | | | | | |
| Corporate | Corporate | (8,989) | (5,983) | (22,098) | (20,115) | | |
| Total operating income | Total operating income | $ 6,661 | $ 6,822 | $ 12,711 | $ 21,577 | | |



**Whole Earth Brands, Inc.**
**Notes to Condensed Consolidated Financial Statements**
**(Unaudited)**

The following table presents disaggregated revenue information for the Company (in thousands):

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Three Months Ended | | Nine Months Ended | | | |
| | | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 | | |
| | | Three Months Ended | | | | | |
| | | Three Months Ended | | | | | |
| | | Three Months Ended | | | | | |
| | March 31, 2024 | | | | | March 31, 2024 | March 31, 2023 |
| Branded CPG: | Branded CPG: | | | | | | |
| North America | | | | | | | |
| North America | | | | | | | |
| North America | North America | $ 73,785 | $ 75,823 | $ 217,146 | $ 220,071 | | |
| Europe | Europe | 17,326 | 15,223 | 52,986 | 51,479 | | |
| India, Middle East and Africa | India, Middle East and Africa | 2,925 | 4,526 | 10,064 | 13,007 | | |
| Asia-Pacific | Asia-Pacific | 5,207 | 5,607 | 16,519 | 17,650 | | |
| Latin America | Latin America | 4,027 | 4,194 | 10,866 | 11,000 | | |
| Flavors & Ingredients | Flavors & Ingredients | 31,160 | 29,907 | 92,168 | 86,168 | | |
| Total product revenues, net | Total product revenues, net | $ 134,430 | $ 135,280 | $ 399,749 | $ 399,375 | | |

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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion and analysis of financial condition and results of operations should be read together with our consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 ("2023 Annual Report") and our unaudited condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report.*

**Cautionary Note Regarding Forward-Looking Statements**

This Quarterly Report on Form 10-Q within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Exchange Act (the "Exchange Act") concerning us and other matters. These statements may discuss goals, intentions and expectations as to future plans, trends, events, results of operations or financial condition, or otherwise, based on current beliefs of management, as well as assumptions made by, and information currently available to, management.

Forward-looking statements may be accompanied by words such as "achieve," "aim," "anticipate," "believe," "can," "continue," "could," "drive," "estimate," "expect," "forecast," "future," "grow," "improve," "increase," "intend," "may," "outlook," "plan," "possible," "potential," "predict," "project," "should," "target," "will," "would," or similar words, phrases or expressions. These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, which could cause actual results to differ materially from the results contemplated by the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, our ability to achieve or maintain profitability; the extent of the continued impact of the COVID-19 pandemic, and any recurrence of the COVID-19 pandemic, local, regional, national, and international economic conditions that have deteriorated as a result of the COVID-19 pandemic including the risks of a global recession or a recession in one or more of our key markets, and the impact they may have on us and our customers and management's assessment of that impact; inflation and the Company's ability to offset rising costs through pricing and productivity effectively; the projected financial information, anticipated growth rate, and market opportunity of our Branded CPG and Flavors & Ingredients business segments; the ability to maintain the listing of our securities on Nasdaq; the potential liquidity and trading of our public securities; our expected capital requirements and the availability of additional financing; our ability to attract or retain highly qualified personnel, including in accounting and finance roles; extensive and evolving government regulations that impact the way we operate; the impact of the COVID-19 pandemic on our suppliers, including disruptions and inefficiencies in the supply chain; factors relating to the business, operations and financial performance of our Branded CPG and Flavors & Ingredients segments; our ability to integrate our acquisitions and achieve the anticipated benefits of the transactions in a timely manner or at all; the ongoing conflicts in Ukraine and the Middle East and related economic disruptions and new governmental regulations on our business, including but not limited to the potential impact on our sales, operations and supply chain; adverse changes in the global or regional general business, political and economic conditions, including the impact of continuing uncertainty and instability in certain countries, that could materially affect our global markets and the potential adverse economic impact and related uncertainty caused by these items; our ability to continue to use, maintain, enforce, protect and defend owned and licensed intellectual property, including the Whole Earth® brand; risks associated with the Merger (as defined below), including the ability of the parties to satisfy the conditions precedent and consummate the Merger, the timing of consummation of the Merger, the ability of the parties to secure any required stockholder approval in a timely manner or on the terms desired or anticipated, the ability of the parties to obtain the financing required to consummate the Merger, the ability to achieve anticipated benefits and savings, potential disruption of management's attention, and any legal proceedings related to the proposed Merger; and such other factors as discussed throughout, including in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and in Part II, Item 1A. Risk Factors of this Quarterly Report on Form 10-Q. 10-Q and, with respect to the Merger, see the preliminary proxy statement, as amended, initially filed by the Company with the Securities and Exchange Commission on March 15, 2024.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, our information may be incomplete or limited, and we cannot guarantee future results. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

**Overview**

We are a global food company 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. We operate a proven platform organized into two reportable segments.

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- **Branded CPG**, comprised of our Merisant division of operating companies, Wholesome and Swerve, is a global CPG business focused on building a branded portfolio oriented toward serving customers seeking better-for-you sweeteners across the zero calorie, plant-based, organic, non GMO, and Fair Trade spaces in zero/low calorie sweeteners, sugar, honey, agave and baking mix, and baking chocolate segments. Our Branded CPG products are sold under both our flagship brands, as well as local and private label brands. Our global flagship brands include Whole Earth®, Pure Via®, Wholesome®, Swerve®, Canderel®, Equal® and existing branded adjacencies.

- **Flavors & Ingredients**, comprised of our Mafco Worldwide division of operating companies, is a global, business-to-business focused operation with a long history as a trusted supplier of essential, functional ingredients to some of the CPG industry's largest and most demanding customers. Our products provide a variety of solutions for our customers including flavor enhancement, flavor / aftertaste masking, moisturizing, product mouthfeel modification and skin soothing characteristics. Our Flavors & Ingredients segment operates our licorice-derived products business.

**Acquisition Agreement and Plan of Merger**

On December 17, 2020,February 12, 2024, we entered into a stock purchase agreement an Agreement of Merger (the "Wholesome Purchase "Merger Agreement") with WSO Investments, Inc. ("WSO Investments" and together with its subsidiaries "Wholesome"), WSO Holdings, LP ("WSO Partnership"), Edwards Billington and Son, Limited ("EBS"), WSO Ozark Holdings, LLC, a Delaware limited liability company ("WSO LLC," Parent") and together with WSO Partnership Sweet Oak Merger Sub, LLC, a Delaware limited liability company and EBS, the "WSO Sellers"), and WSO Partnership, in its capacity as representative for the WSO Sellers. WSO Investments is the direct parent of its wholly-owned subsidiary Wholesome Sweeteners, Incorporated, which was formed to import, market, distribute, and sell organic sugars, unrefined specialty sugars, and related products.

On February 5, 2021, pursuant to the terms of the Wholesome Purchase Agreement, (i) we purchased and acquired all of the issued and outstanding shares of capital stock of WSO Investments from the WSO Sellers, for (x) an initial cash purchase price of $180 million (subject to customary post-closing adjustments), plus (y) as more thoroughly described below, up to an additional $55 million (the "Earn-Out Amount") upon the satisfaction of certain post-closing financial metrics by Wholesome; and (ii) WSO Investments became an indirect a wholly-owned subsidiary of the Company (collectively, the "Wholesome Transaction" Parent ("Merger Sub"). Subject to Upon the terms and subject to the conditions set forth in the Merger Agreement, upon the closing of the Wholesome Purchase Agreement, transaction, Merger Sub is expected to merge with and as more thoroughly described therein, payment of into the Earn-Out Amount, in whole or in part, was subject to Wholesome achieving certain EBITDA thresholds at or above approximately $30 million during the period beginning August 29, 2020, and ending December 31, 2021 Company (the "Earn-Out Period" "Merger"). A portion of the Earn-Out Amount (up to $27.5 million) could be paid, at our election, in freely tradeable, registered shares of Company common stock calculated using the 20-day volume weighted average trading price per share as of the date of determination. Calculation of the achievement of the Earn-Out Amount was subject to certain adjustments more thoroughly described in the Wholesome Purchase Agreement.

Following the completion of the Earn-Out Period, we determined, in accordance , with the terms Company surviving the Merger as a wholly-owned subsidiary of the Purchase Agreement, that the sellers were entitled Parent. See Note 2 to receive the Earn-Out Amount in full. We elected to satisfy part of the Earn-Out Amount in common stock and on February 23, 2022, issued 2,659,574 shares of the Company's common stock. The remaining $30 million portion of the $55 million Earn-Out Amount was paid in cash which was funded from available capacity under our revolving credit facility. The settlement of the earn-out resulted in a non-cash gain of $1.1 million that was recorded in the first quarter of 2022 which represents the difference in the value of the common stock issued using the 20-day volume weighted average trading price per share as compared to the trading price on the date of issuance.

**Inflation and Supply Chain Impact**

During the nine months ended September 30, 2023, we have experienced inflationary cost increases in raw materials and transportation costs; however, we have recently seen a stabilization in certain of these costs. These cost increases have resulted in, and could continue to result in, negative impacts to our results of operations. However, we continue to monitor the inflationary environment and impacts to our operations and have taken measures to mitigate the impact of these inflationary pressures.

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**Other Events**

In connection with an ongoing investigation being conducted under the supervision of the Audit Committee of the Company's Board of Directors (the "Audit Committee"), the Audit Committee, based upon information from independent investigative counsel to the Audit Committee, has determined that the most recent former chief executive officer of the Company, and the most recent former chief financial officer of the Company at the request of such former chief executive officer of the Company, disclosed to representatives of the largest stockholder of the Company material non-public information belonging to the Company without a non-disclosure agreement and in violation of the Company's internal policies. The Company has received a written Affidavit Certification from such stockholder that, notwithstanding receipt of such material non-public information, such stockholder and its affiliates did not trade in any Company securities, did not direct any other party to trade in any Company securities and did not disclose such material non-public information to any third party, in each case, prior to the public disclosure of such information by the Company.

Notwithstanding the above, we have concluded that the unaudited condensed consolidated financial statements included in this Quarterly Report for more information on Form 10-Q fairly present, in all material respects, our financial position, results of operations the Merger Agreement and cash flows for the periods presented in conformity with U.S. GAAP.

The Nominating and Governance Committee of transactions contemplated thereby, including the Company's Board of Directors (the "Nom/Gov Committee"), with input and guidance from the Audit Committee and based upon information from independent investigative counsel to the Audit Committee, is considering appropriate modifications to the Company's policies and procedures regarding disclosure of the Company's information; however, following the departure from the Company of its most recent former chief executive officer and most recent former chief financial officer and due to the ongoing nature of the investigation, the Nom/Gov Committee has not yet determined such modifications to the Company's policies and procedures as of the date of this Quarterly Report on Form 10-Q. Merger.

**Results of Operations**

**Consolidated**

| | Three Months Ended | | | Nine Months Ended | | |
|---|---|---|---|---|---|---|
| *(In thousands)* | September 30, 2023 | September 30, 2022 | Change | September 30, 2023 | September 30, 2022 | Change |
| Product revenues, net | $ 134,430 | $ 135,280 | -0.6 % | $ 399,749 | $ 399,375 | +0.1 % |
| Cost of goods sold | 96,902 | 100,263 | -3.4 % | 296,500 | 287,486 | +3.1 % |
| Gross profit | 37,528 | 35,017 | +7.2 % | 103,249 | 111,889 | -7.7 % |
| Selling, general and administrative expenses | 26,226 | 23,566 | +11.3 % | 76,549 | 76,314 | +0.3 % |
| Amortization of intangible assets | 4,641 | 4,629 | +0.3 % | 13,989 | 13,998 | -0.1 % |
| Operating income | 6,661 | 6,822 | -2.4 % | 12,711 | 21,577 | -41.1 % |
| Interest expense, net | (11,117) | (8,214) | +35.3 % | (32,884) | (20,674) | +59.1 % |
| Other (expense) income, net | (448) | 278 | * | (1,333) | 3,985 | * |

**Three Months Ended**

**Three Months Ended**

**Three Months Ended**

***(In thousands)***

***(In thousands)***

| | March 31, 2024 | | March 31, 2023 | | Change |
|---|---|---|---|---|---|
| Product revenues, net | $129,500 | $ | $ 132,417 | -2.2 | -2.2 % |
| Cost of goods sold | 92,193 | 100,076 | 100,076 | -7.9 | -7.9 % |
| Gross profit | 37,307 | 32,341 | 32,341 | +15.4 | +15.4 % |
| Selling, general and administrative expenses | 29,494 | 24,689 | 24,689 | +19.5 | +19.5 % |
| Amortization of intangible assets | 4,688 | 4,651 | 4,651 | +0.8 | +0.8 % |
| Operating income | | | | | |
| Operating income | 3,125 | | 3,001 | | +4.1 % |
| Interest expense, net | (10,859) | (10,704) | (10,704) | +1.4 | +1.4 % |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Loss) income before income taxes | (4,904) | (1,114) | * | (21,506) | 4,888 | * | | | | | | |
| Other income (expense), net | | | | | | | Other income (expense), net | 230 | | (629) | | * |
| Loss before income taxes | | | | | | | Loss before income taxes | (7,504) | | (8,332) | | -9.9 % |
| Provision for income taxes Provision for income taxes | 526 | 1,407 | -62.6 % | 9,238 | 3,357 | * | Provision for income taxes | 1,892 | 11,465 | 11,465 | -83.5 | -83.5 % |
| Net (loss) income | $ (5,430) | $ (2,521) | * | $ (30,744) | $ 1,531 | * | | | | | | |
| Net loss | | | | | | | Net loss | $ (9,396) | | $ (19,797) | | -52.5 % |

* Represents positive or negative change equal to, or in excess of 100%

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***Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended September 30, 2022 March 31, 2023***

***Product revenues, net.*** Product revenues, net for the three months ended September 30, 2023 March 31, 2024 were $134.4 million $129.5 million, a decrease of $0.9 million $2.9 million, or 0.6% 2.2%, from $135.3 million $132.4 million for the three months ended September 30, 2022 March 31, 2023. The decrease was primarily due to a $2.1 million $3.6 million decrease in product revenues in the Branded CPG segment, partially offset by a $1.3 million $0.6 million increase in product revenues at in the Flavors & Ingredients. Ingredients segment. The decrease in Branded CPG revenues was driven primarily by due to declines in volume, partially offset by price increases, and favorable impacts from foreign exchange, as further discussed below. The increase in Flavors & ingredients Ingredients revenues was primarily driven by price pricing and volume increases, as well as favorable impacts from foreign exchange, as further discussed below.

***Cost of goods sold.*** Cost of goods sold for the three months ended September 30, 2023 March 31, 2024 was $96.9 million $92.2 million, a decrease of $3.4 million $7.9 million, or 3.4% 7.9%, from $100.3 million $100.1 million for the three months ended September 30, 2022 March 31, 2023. The decrease was primarily due to a $1.3 million decrease in duty cost on imported sugar, lower raw materials costs and lower freight costs, and a decline in costs associated with the supply chain reinvention at Branded CPG. CPG and favorable product mix.

***Selling, general and administrative expenses.*** Selling, general and administrative expenses for the three months ended September 30, 2023 were $26.2 million March 31, 2024 was $29.5 million, an increase of $2.7 million $4.8 million, or 11.3% 19.5%, from $23.6 million $24.7 million for the three months ended September 30, 2022 March 31, 2023 primarily due to a $2.1 million increase in bonus expense, $0.9 million $3.6 million of costs associated with the Company's strategic review, pending Merger, a $0.8 million increase in bonus expense, a $0.4 million impairment of right-of-use assets associated with $0.6 million increase in marketing expense, a leased Decatur, Alabama facility that is no longer in use, and a $0.5 million $0.3 million increase in stock-based compensation expense, and a $0.3 million increase in amortization of capitalized software implementation costs. These costs were partially offset by a $0.7 million decline decrease in severance and impairments of fixed assets as the first quarter of 2023 included a $0.4 million impairment related expenses and to idled production lines associated with the Decatur, Alabama plant shut down that did not reoccur in 2024, a $0.6 million $0.3 million decrease in bad debt expense and a $0.2 million decrease in commission expense.

***Amortization of intangible assets.*** Amortization of intangible assets for the three months ended September 30, 2023 March 31, 2024 was essentially flat compared to the three months ended September 30, 2022 March 31, 2023.

***Interest expense, net.*** Interest expense, net for the three months ended September 30, 2023 March 31, 2024 was $11.1 million $10.9 million, an increase of $2.9 million $0.2 million, or 35.3% 1.4%, from $8.2 million $10.7 million for the three months ended September 30, 2022 March 31, 2023. The increase was primarily due to higher interest rates for the three months ended September 30, 2023 March 31, 2024 compared to the three months ended September 30, 2022 March 31, 2023, partially offset by a realized gain of $0.5 million related to the Company's interest rate swap.

***Other income (expense) income, , net.*** Other expense, income, net for the three months ended September 30, 2023 March 31, 2024 was $0.4 million $0.2 million compared to other income, expense, net of $0.3 million $0.6 million for the three months ended September 30, 2022 March 31, 2023. The third $0.9 million change was largely due to foreign exchange gains in the first quarter of 2023 primarily reflected 2024 compared to foreign exchange losses partially offset by income from our equity method investments. The prior year period primarily included foreign exchange gains as well as income from our equity method investments. in the first quarter of 2023.

***Provision for income taxes.*** The provision for income taxes for the three months ended September 30, 2023 March 31, 2024 was $0.5 million, which includes a discrete tax benefit of $0.6 million related primarily to the finalization of the Company's 2022 U.S. federal tax return and certain foreign tax returns during the quarter ended September 30, 2023 $1.9 million. The provision for income taxes for the three months ended September 30, 2022 March 31, 2023 was $1.4 million, which includes a discrete tax provision of $0.4 million related primarily to the finalization of the Company's 2021 U.S. federal and state tax returns. The effective tax rate for the three months ended September 30, 2023 was (10.7%), compared to (126.3)% for the three months ended September 30, 2022 $11.5 million. The effective tax rate for the three months ended September 30, 2023 March 31, 2024 was an income tax provision of (25.2)% computed on a discrete effective tax rate method, compared to an income tax provision of (137.6%) for the three months ended March 31, 2023. The effective tax rate for the three months ended March 31, 2024 differs from the statutory federal rate of 21% primarily due to an increase in the valuation allowance related to interest expense for which deductibility is limited under IRC §163(j), foreign income at different rates, non-deductible permanent differences, and state and local taxes recorded during the period. The effective tax rate for the three months ended March 31, 2023 differs from the statutory federal rate of 21% primarily due to an increase in the valuation allowance related to interest expense for which deductibility is limited under IRC §163(j), foreign income at different rates, non-deductible permanent differences, state and local taxes, and the U.S. tax effect of international operations including Global Intangible Low-Taxed Income ("GILTI") recorded during the period, partially offset with the discrete tax benefit described above. The effective tax rate for the three months ended September 30, 2022 differs from the statutory federal rate of 21% primarily due to state and local taxes, non-deductible permanent differences, limited benefit on current year interest deductions and losses in certain jurisdictions, the change in the fair value of warrant liabilities, foreign income at different rates, the U.S. tax effect of international operations including GILTI recorded during the period, and the discrete tax provision.

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***Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022***

***Product revenues, net.*** Product revenues, net for the nine months ended September 30, 2023 were $399.7 million, an increase of $0.4 million, or 0.1%, from $399.4 million for the nine months ended September 30, 2022. The increase was provision related primarily due to a $6.0 million increase in product revenues at Flavors & Ingredients, partially offset by a $5.6 million decrease in product revenues in the Branded CPG segment. The increase in Flavors & Ingredients revenues was primarily driven by pricing and volume increases, partially offset by unfavorable impacts of foreign exchange, as further discussed below. The decrease in Branded CPG revenues was primarily due to declines in volume and unfavorable impacts from foreign currency exchange, partially offset by price increases, as further discussed below.

***Cost of goods sold.*** Cost of goods sold for the nine months ended September 30, 2023 was $296.5 million, an increase of $9.0 million, or 3.1%, from $287.5 million for the nine months ended September 30, 2022. The increase was primarily due to higher raw materials costs due to inflationary pressures and the sale of higher cost inventory resulting from increased freight and warehousing costs, as well as $2.5 million of favorable purchase accounting adjustments related to inventory revaluations that did not reoccur in the current year as all inventory revaluation purchase accounting adjustments were fully amortized as of June 30, 2022, partially offset by a decline in costs associated with the supply chain reinvention at Branded CPG.

***Selling, general and administrative expenses.*** Selling, general and administrative expenses for the nine months ended September 30, 2023 was $76.5 million, an increase of $0.2 million, or 0.3%, from $76.3 million for the nine months ended September 30, 2022 primarily due to a $2.4 million increase in stock-based compensation expense, a $1.3 million impairment of fixed assets related to idled production lines and a $0.4 million right-of-use lease asset impairment both related to our Decatur, Alabama operation that has been shut down, $1.0 million of costs associated with the Company's strategic review, and a $0.4 million increase in amortization of capitalized software implementation costs, largely offset by a $2.1 million decline in bonus expense, which includes a favorable adjustment to prior year bonus accruals, a $1.5 million decrease in commissions expense, a $1.0 million decrease in salary expense and a $0.7 million decline in acquisition-related transaction expenses that did not reoccur in 2023.

***Amortization of intangible assets.*** Amortization of intangible assets for the nine months ended September 30, 2023 was essentially flat compared to the nine months ended September 30, 2022.

***Interest expense, net.*** Interest expense, net for the nine months ended September 30, 2023 was $32.9 million, an increase of $12.2 million, or 59.1%, from $20.7 million for the nine months ended September 30, 2022. The increase was primarily due to higher interest rates for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, partially offset by a realized gain of $0.5 million related to the Company's interest rate swap.

***Other (expense) income, net.*** Other expense, net for the nine months ended September 30, 2023 was $1.3 million compared to other income, net of $4.0 million for the nine months ended September 30, 2022. The $5.3 million change was largely due to a $2.9 million change in foreign exchange as a result of losses in 2023 compared to gains in 2022, and a $1.2 million decrease in the change in fair value of warrant liabilities. Additionally, the prior year period included a $1.1 million non-cash gain related to the settlement of the Wholesome acquisition earn-out.

***Provision for income taxes.*** The provision for income taxes for the nine months ended September 30, 2023 was $9.2 million, which includes a discrete tax provision of $0.6 million, primarily related to tax expense for a shortfall of the tax benefits on stock-based awards that have vested and the remeasurement of state deferred tax assets as a result of state law changes enacted during the first nine months of 2023, offset by the $0.6 million tax benefit related to the finalization of the Company's 2022 U.S. federal tax return and certain foreign tax returns during the quarter ended September 30, 2023. The provision for income taxes for the nine months ended September 30, 2022 was $3.4 million, which includes a discrete tax provision of $0.5 million, related primarily to the finalization of the Company's 2021 U.S. federal and state tax returns during the quarter. The effective tax rate for the nine months ended September 30, 2023 was (43.0)%, compared to 68.7% for the nine months ended September 30, 2022. The effective tax rate for the nine months ended September 30, 2023 differs from the statutory federal rate of 21% primarily due to an increase in the valuation allowance related to interest expense for which deductibility is limited under IRC §163(j), foreign income at different rates, non-deductible permanent differences, state and local taxes, and the U.S. tax effect of international operations including GILTI recorded during the period. The effective tax rate for the nine months ended September 30, 2022 differs from the statutory federal rate of 21% primarily due to state and local taxes, non-deductible permanent differences, limited benefit on current year interest deductions and losses in certain jurisdictions, the change in the fair value of warrant liabilities, foreign income at different rates and the U.S. tax effect of international operations including GILTI recorded during the period, and the discrete tax provision.

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**Branded CPG**

| | | Three Months Ended | | | Nine Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Three Months Ended | | | | | | | | | | |
| | | Three Months Ended | | | | | | | | | | |
| | | Three Months Ended | | | | | | | | | | |
| *(In thousands)* | | | | | | | | | | | | |
| *(In thousands)* | | | | | | | | | | | | |
| *(In thousands)* | *(In thousands)* | September 30, 2023 | September 30, 2022 | Change | September 30, 2023 | September 30, 2022 | Change | March 31, 2024 | | March 31, 2023 | | Change |
| Product revenues, net | Product revenues, net | $ 103,270 | $ 105,373 | -2.0 % | $ 307,581 | $ 313,207 | -1.8 % | Product revenues, net | $ 98,453 | $ $ | 102,010 -3.5 | -3.5 % |
| Operating income | | $ 7,202 | $ 5,518 | +30.5 % | $ 7,820 | $ 17,555 | -55.5 % | | | | | |
| Operating income (loss) | | | | | | | | Operating income (loss) | $ 4,983 | $ | (843) | * |

* Represents positive or negative change equal to, or in excess of 100%

***Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended September 30, 2022 March 31, 2023***

***Segment product revenues, net.*** Product revenues, net for Branded CPG for the three months ended September 30, 2023 March 31, 2024 were $103.3 million $98.5 million, a decrease of $2.1 million $3.6 million, or 2.0% 3.5%, from $105.4 million $102.0 million for the three months ended September 30, 2022 March 31, 2023, driven by primarily due to a $8.1 million $4.0 million decline due to lower volumes, partially offset by a $5.0 million $0.5 million increase in sales primarily due to higher pricing and a $1.0 million $0.1 million favorable impact of foreign currency exchange.

***Segment operating income. income (loss).*** Operating income for Branded CPG for the three months ended September 30, 2023 March 31, 2024 was $7.2 million $5.0 million, an increase of $1.7 million, or 30.5% $5.8 million,from $5.5 million an operating loss of $0.8 million for the three months ended September 30, 2022March 31, 2023, primarily due to lower raw materials costs and lower freight costs, a $3.0 million decline in costs associated with the supply chain reinvention, of $2.5 million and a $1.3 million $0.6 million decrease in duty cost costs on imported sugar partially offset by, a $1.6 million increase$0.3 million decline in bonus bad debt expense, a $0.2 million decrease in commissions expense, and a $0.4 million right-of-use asset impairment associated with a leased Decatur, Alabama facility that is no longer decrease in use and the impact of lower sales.

***Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022***

***Segment product revenues, net.*** Product revenues, net for Branded CPG for the nine months ended September 30, 2023 were $307.6 million, a decrease of $5.6 million, or 1.8%, from $313.2 million for the nine months ended September 30, 2022, primarily due to a $23.9 million decline due to lower volumes and a $1.0 million unfavorable impact of foreign currency exchange, partially offset by a $19.2 million increase in sales primarily due to higher pricing.

***Segment operating income.*** Operating income for Branded CPG for the nine months ended September 30, 2023 was $7.8 million, a decrease of $9.7 million, or 55.5%, from $17.6 million for the nine months ended September 30, 2022, primarily due to lower sales volume, the sale of higher cost inventory resulting from increased freight and warehousing costs, a $1.3 million impairment impairments of fixed assets as the first quarter of 2023 included a $0.4 million impairment related to idled production lines and a $0.4 million right-of-use lease asset impairment both associated with the Decatur, Alabama operation plant shut down higher stock-based compensation expense of $1.2 million and a $0.4 million increase that did not reoccur in severance and related expenses, 2024, partially offset by a $1.1 million decline $0.6 million increase in bonus expense, which includes a favorable adjustment to prior year bonus accruals, a decline in costs associated with the supply chain reinvention of $0.7 million, and a $1.5 million decrease in commissions marketing expense.

**Flavors & Ingredients**

| | | Three Months Ended | | | Nine Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Three Months Ended | | | | | | | | | | |
| | | Three Months Ended | | | | | | | | | | |
| | | Three Months Ended | | | | | | | | | | |
| *(In thousands)* | | | | | | | | | | | | |
| *(In thousands)* | | | | | | | | | | | | |
| *(In thousands)* | *(In thousands)* | September 30, 2023 | September 30, 2022 | Change | September 30, 2023 | September 30, 2022 | Change | March 31, 2024 | | March 31, 2023 | | Change |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Product revenues, net | Product revenues, net | $ 31,160 | $ 29,907 | +4.2 % | $ 92,168 | $ 86,168 | +7.0 % | Product revenues, net | $ 31,047 | $ | $ | 30,407 | +2.1 | +2.1 % |
| Operating income | Operating income | $ 8,448 | $ 7,287 | +15.9 % | $ 26,989 | $ 24,137 | +11.8 % | Operating income | $ 8,590 | $ | $ | 9,536 | -9.9 | -9.9 % |

***Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended September 30, 2022 March 31, 2023***

***Segment product revenues, net.*** Product revenues, net for Flavors & Ingredients for the three months ended September 30, 2023 March 31, 2024 were $31.2 million $31.0 million, an increase of $1.3 million $0.6 million, or 4.2% 2.1%, from $29.9 million $30.4 million for the three months ended September 30, 2022, March 31, 2023 primarily driven by $0.8 million of price increases, $0.3 million $0.4 million of volume growth and $0.2 million of favorable foreign currency exchange. price increases. The volume growth was attributable to increases in licorice extracts pure derivatives and pure derivatives, our Magnasweet product lines, partially offset by volume declines in our Magnasweet product lines. licorice extracts.

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***Segment operating income.*** Operating income for Flavors & Ingredients for the three months ended September 30, 2023 March 31, 2024 was $8.4 million $8.6 million, an increase a decrease of $1.2 million $0.9 million, or 15.9% 9.9%, from $7.3 million $9.5 million for the three months ended September 30, 2022, primarily due to higher revenues.

***Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022***

***Segment product revenues, net.*** Product revenues, net for Flavors & Ingredients for the nine months ended September 30, 2023 were $92.2 million, an increase of $6.0 million, or 7.0%, from $86.2 million for the nine months ended September 30, 2022 primarily driven by $4.1 million of price increases and $2.1 million of volume growth, partially offset by $0.2 million of unfavorable foreign currency exchange. The volume growth was attributable to increases in licorice extracts and pure derivatives, partially offset by volume declines in our Magnasweet product lines.

***Segment operating income.*** Operating income for Flavors & Ingredients for the nine months ended September 30, 2023 was $27.0 million, an increase of $2.9 million, or 11.8%, from $24.1 million for the nine months ended September 30, 2022 March 31, 2023, primarily due to higher revenues and favorable unfavorable product mix, partially offset by higher revenue $2.5 million of favorable purchase accounting adjustments related to inventory revaluations that did not reoccur in the current year. .

**Corporate**

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Three Months Ended** | | | **Nine Months Ended** | | | | | | | | |
| | | **Three Months Ended** | | | | | | | | | | | |
| | | **Three Months Ended** | | | | | | | | | | | |
| | | **Three Months Ended** | | | | | | | | | | | |
| ***(In thousands)*** | | | | | | | | | | | | | |
| ***(In thousands)*** | | | | | | | | | | | | | |
| ***(In thousands)*** | ***(In thousands)*** | **September 30, 2023** | **September 30, 2022** | **Change** | **September 30, 2023** | **September 30, 2022** | **Change** | **March 31, 2024** | | **March 31, 2023** | | | **Change** |
| Operating loss | Operating loss | $ (8,989) | $ (5,983) | +50.2 % | $ (22,098) | $ (20,115) | +9.9 % | Operating loss | $ (10,448) | $ | $ | (5,692) | +83.6 | +83.6 % |

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***Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended September 30, 2022 March 31, 2023***

***Operating loss.*** Operating loss for Corporate for the three months ended September 30, 2023 March 31, 2024 was $9.0 million $10.4 million, an increase of $3.0 million, $4.8 million, or 50.2% 83.6%, from $6.0 million $5.7 million for the three months ended September 30, 2022 March 31, 2023, primarily driven by a $1.0 million increase in bonus expense, $0.9 million $3.6 million of costs associated with the Company's strategic review, a $0.4 million increase in stock-based compensation expense, pending Merger, a $0.3 million increase in amortization of capitalized software implementation costs, and a $0.5 million $0.7 million increase in other professional fees.

***Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022***

***Operating loss.*** Operating loss for Corporate for the nine months ended September 30, 2023 was $22.1 million, an increase of $2.0 million, or 9.9%, from $20.1 million for the nine months ended September 30, 2022, primarily driven by a $1.3 million increase in stock-based compensation expense, $1.0 million of costs associated with the Company's strategic review, a $0.9 million increase on other professional fees, a $0.4 million increase in amortization of capitalized software implementation costs, and a $0.3 million increase in severance and related expenses, partially offset by a $1.0 million decrease in bonus expense largely primarily due to a favorable bonus adjustment to in the prior year bonus accruals, and a $0.7 million reduction in salary expense. that did not repeat.

**Liquidity and Capital Resources**

We have historically funded operations with cash flow from operations and, when needed, with borrowings, which are described below.

We believe our sources of liquidity and capital, and our Credit Facilities will be sufficient to finance our continued operations, growth strategy and additional expenses we expect to incur for at least the next twelve months.

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The following table shows summary cash flow information for the nine three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023 (in thousands):

| | | | | | |
|---|---|---|---|---|---|
| | | Nine Months Ended | | | |
| | | September 30, 2023 | September 30, 2022 | | |
| Net cash provided by (used in) operating activities | | $ 10,615 | $ (17,264) | | |
| | Three Months Ended | | | | Three Months Ended |
| | March 31, 2024 | | | March 31, 2024 | March 31, 2023 |
| Net cash (used in) provided by operating activities | | | | | |
| Net cash used in investing activities | Net cash used in investing activities | (4,094) | (6,897) | | |
| Net cash (used in) provided by financing activities | | (10,704) | 20,524 | | |
| Net cash provided by (used in) by financing activities | | | | | |
| Effect of exchange rate changes on cash and cash equivalents | Effect of exchange rate changes on cash and cash equivalents | (244) | (3,813) | | |
| Net change in cash and cash equivalents | Net change in cash and cash equivalents | $ (4,427) | $ (7,450) | | |

***Operating activities.*** Net cash used in operating activities was $9.6 million for the three months ended March 31, 2024 compared to cash provided by operating activities was $10.6 million of $4.1 million for the nine three months ended September 30, 2023 compared to cash used in operating activities of $17.3 million for the nine months ended

September 30, 2022 March 31, 2023. The increase in cash provided by operations decrease was primarily attributable to favorable unfavorable working capital changes and lower income tax payments, partially offset by higher interest payments during the nine three months ended September 30, 2023 March 31, 2024. Cash paid for income taxes, net of income tax refunds was $3.8 million $1.2 million for the nine three months ended September 30, 2023 March 31, 2024 compared to $7.5 million $3.2 million for the nine three months ended September 30, 2022 March 31, 2023. Cash paid for interest for the nine three months ended September 30, 2023 March 31, 2024 was $31.3 million $10.4 million compared to $19.2 million $10.3 million for the nine three months ended September 30, 2022 March 31, 2023.

***Investing activities.*** Net cash used in investing activities was $4.1 million and $6.9 million $0.9 million for the nine three months ended September 30, 2023 March 31, 2024, which included capital expenditures of $1.1 million and 2022, respectively, proceeds from the sale of an equity method investment of $0.2 million. Net cash used in investing activities was $1.6 million for the three months ended March 31, 2023 and primarily related to capital expenditures.

***Financing activities.*** Net cash used in provided by financing activities was $10.7 million $3.6 million for the nine three months ended September 30, 2023 March 31, 2024 and reflects proceeds from the revolving credit facility of $11.0 million, repayments of the revolving credit facility of $6.0 million, repayments of long-term debt of $2.8 million $0.9 million, and payments of $1.4 million $0.5 million for employee tax withholdings related to net share settlements of stock-based awards and payments of debt issuance costs of $0.4 million related to the second amendment of our credit facility. awards. Net cash provided by used in financing activities was $20.5 million $5.3 million for the nine three months ended September 30, 2022 March 31, 2023 and reflects $54.0 million repayments of proceeds from the revolving credit facility of $4.0 million, repayments of long-term debt of $2.8 million $0.9 million, cash payment for the Wholesome acquisition earn-out of $29.1 million (amount is net of $0.9 million related to transaction bonuses paid in connection with the earn-out and reflected in operating activities), payments of $0.9 million $0.4 million for employee tax withholdings related to net share settlements of stock-based awards and payments of debt issuance costs of $0.7 million. awards.

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***Debt***

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, term loan borrowings were $358.2 $357.1 million and $359.9 $357.7 million, respectively, net of debt issuance costs of $7.4 $6.6 million and $8.5 $7.0 million, respectively. There were $70.0 $69.0 million and $76.0 $64.0 million of borrowings under the revolving credit facility as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Additionally, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, unamortized debt issuance costs related to the revolving credit facility were $1.9 million $1.5 million and $2.0 million $1.7 million, respectively, which are included in other assets in the condensed consolidated balance sheet. As of September 30, 2023 both March 31, 2024 and December 31, 2022 December 31, 2023, there were $2.8 million and $2.1 million, respectively, $3.3 million of outstanding letters of credit that reduced our availability under the revolving credit facility. See Note 7 to our consolidated and combined financial statements in our 2023 Annual Report on Form 10-K for the year ended December 31, 2022 for further information and significant terms and conditions associated with the Term Loan Facility and Revolving Facility.

As further described in Note 2, following the completion of the Wholesome Earn-Out Period, we determined, in accordance with the terms of the Purchase Agreement, that the sellers were entitled to receive the Earn-Out Amount in full. We elected to satisfy part of the Earn-Out Amount in common stock and on February 23, 2022, issued 2,659,574 shares of the Company's common stock. The remaining $30 million portion of the $55 million Earn-Out Amount was paid in cash which was funded from available capacity under our revolving credit facility.

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On June 15, 2022, we and certain of our subsidiaries entered into a first amendment (the "First Amendment") to the Amended and Restated Loan Agreement dated as of February 5, 2021 (the "Amended and Restated Loan Agreement"). The First Amendment increased the aggregate principal amount of the Revolving Credit Facility from $75 million to $125 million (the "Amended Revolving Credit Facility") and transitioned from LIBOR to Secured Overnight Financing Rate ("SOFR") as the benchmark for purposes of calculating interest for all loans outstanding under the Amended and Restated Loan Agreement. At our election, loans outstanding under the Amended and Restated Loan Agreement will accrue interest at a rate per annum equal to (i) term SOFR plus 0.10%, 0.15%, or 0.25% in case of, respectively, a one-month, three-month, or six-month interest period ("Adjusted Term SOFR"), or (ii) the greater of the prime rate, the federal funds effective rate plus 0.50%, and one-month Adjusted Term SOFR plus 1.00%, in each case plus the applicable margin which is equal to (i) with respect to Amended Revolving Credit Facility and letters of credit, (A) 2.75%, in the case of base rate advances, and (B) 3.75% in the case of SOFR advances, and (ii) with respect to the Term Loan Facility, (A) 3.50%, in the case of base rate advances, and (B) 4.50% in the case of SOFR advances, with a SOFR floor of 1.00%. In connection with the First Amendment, we paid fees and incurred transaction costs of $0.7 million, all of which was deferred.

The transition to SOFR did not materially impact the interest rates applied to our borrowings. No other material changes were made to the terms of our Amended and Restated Loan Agreement as a result of the First Amendment.

On April 24, 2023, we and certain of our subsidiaries entered into a second amendment (the "Second Amendment") to the Amended and Restated Loan Agreement. The Second Amendment changed the maximum consolidated total leverage ratio covenant as follows: (i) the consolidated total leverage ratio will temporarily increase increased by 0.25 turns for the first quarter of 2023, 0.5 turns on a quarterly basis through the fourth quarter of 2023, and 0.25 turns in the first quarter of 2024; and (ii) beginning in the second quarter of 2024, the consolidated total leverage ratio will return to a level not to exceed 5.5x. No other material changes were made in terms of our Amended and Restated Loan Agreement as a result of the Second Amendment.

On October 5, 2023, the Company and certain of its subsidiaries entered into a third amendment (the "Third Amendment") to the Amended and Restated Loan Agreement. The Third Amendment amended and revised a clause in the definition of consolidated EBITDA used for determining compliance with financial covenants effective beginning with the second quarter of 2023 through the first quarter of 2024. The amendment did not impact the calculation of consolidated EBITDA previously determined for the second quarter of 2023.

**Critical Accounting Policies and Recently Issued Accounting Pronouncements**

There have been no changes to critical accounting policies and estimates from those disclosed in our audited consolidated and combined financial statements for the year ended December 31, 2022 December 31, 2023. For information regarding our critical accounting policies and accounting pronouncements, see our unaudited condensed consolidated financial statements and the related notes to those statements included under Item 1. hereof and our 2022 2023 Annual Report on Form 10-K. Report.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to market risk from changes in interest rates of our variable rate debt under our Loan Agreement, which consists of a Term Loan Facility and a Revolving Credit Facility. At September 30, 2023, we had $365.6 million and $70.0 million of aggregate principal amounts outstanding under our Term Loan Facility and Revolving Credit Facility, respectively.

Loans outstanding under the Term Loan Facility currently accrue interest at a rate per annum equal to 90-day SOFR subject to a floor of 1% plus a margin of 4.50% and the Revolving Credit Facility currently accrues interest at a rate per annum equal to 90-day SOFR plus a margin of 3.75%. Based on the amounts outstanding under the Term Loan Facility and Revolving Credit Facility at September 30, 2023, adding 1% to the applicable interest rate under the Term Loan Facility and Revolving Credit Facility would result in an increase of approximately $4.4 million in our annual interest expense, which may be mitigated by the interest rate swap with a notional value of $183.3 million, as described below.

As discussed in Note 7 to our condensed consolidated financial statements, we are a party to an interest rate swap with a notional value of $183.3 million that involves the exchange of variable for fixed rate interest payments in order to reduce future interest rate volatility of the variable rate interest payments related to the Term Loan Facility. While the current expectation is to maintain the interest rate swap through maturity, due to risks for hedging gains and losses, cash settlement costs or changes to our capital structure, we may not elect to maintain the interest rate swap with respect to our variable rate indebtedness, and any swaps we enter into may not fully mitigate interest rate risk.

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There have been no other significant changes in market risk from those addressed in the Company's our 2023 Annual Report on Form 10-K for the year ended December 31, 2022 during the nine three months ended September 30, 2023 March 31, 2024. See the information set forth in Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, of the Company's our 2023 Annual Report on Form 10-K for the year ended December 31, 2022. Report.

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**Item 4. Controls and Procedures**

***Controls and Procedures***

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer to allow timely decisions regarding required disclosure.

***Evaluation of Disclosure Controls and Procedures***

As of the end of the period covered by this Quarterly Report on Form 10-Q, we conducted an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). The Company's management and the principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

***Changes in Internal Control over Financial Reporting***

There have been no changes in internal control over financial reporting that occurred during the quarter ended September 30, 2023 March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings.**

There have been no material developments in our legal proceedings since we filed our 2023 Annual Report on Form 10-K for the year ended December 31, 2022. Report. Refer to "Part I. Item 3. Legal Proceedings" in our 2023 Annual Report on Form 10-K for the year ended December 31, 2022 for additional information regarding legal proceedings.

**Item 1A. Risk Factors.**

We discuss in our filings with the SEC various risks that may materially affect our business. The materialization of any risks and uncertainties identified in forward-looking statements contained in this report together with those previously disclosed in our Annual 2023Annual Report on Form 10-K for the year ended December 31, 2022 and our other filings with the SEC or those that are presently unforeseen could result in significant adverse effects on our financial condition, results of operations and cash flows. See "Part 1, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward-looking Statements." There have been no material changes in the risk factors previously disclosed in the section entitled "Item 1A-Risk Factors" of the our 2023 Annual Report on Form 10-K for the year ended December 31, 2022, including the risk factors incorporated by reference therein. Report.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

**Item 3. Defaults Upon Senior Securities.**

None.

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**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None of the Company's directors or officers adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement during the quarter ended September 30, 2023 March 31, 2024.

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**Item 6. Exhibits.**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

| No. | Description of Exhibit |
|---|---|
| 2.1 | Agreement of Merger, dated February 12, 2024, by and among Ozark Holdings, LLC, Sweet Oak Merger Sub, LLC and Whole Earth Brands, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K, filed with the SEC on February 13, 2024). |
| 3.1 | Certificate of Incorporation of Whole Earth Brands, Inc. (incorporated by reference to Exhibit 3.1 of Whole Earth Brands, Inc.'s Current Report on Form 8-K filed with the SEC on June 30, 2020). |
| 3.2 | Certificate of Amendment of Certificate of Incorporation of Whole Earth Brands, Inc. (incorporated by reference to Exhibit 3.1 of Whole Earth Brands, Inc.'s Current Report on Form 8-K filed with the SEC on October 12, 2021). |
| 3.3 | Bylaws of Whole Earth Brands, Inc. (as amended through June 30, 2021) (incorporated by reference to Exhibit 3.1 of Whole Earth Brands, Inc.'s Current Report on Form 8-K filed with the SEC on July 1, 2021). |
| 10.1* 10.1 | Third Amendment to Amended and Restated Loan Consulting Agreement, dated as of October 5dated February 12, 2024,2023, by and among Whole Earth Brands, Inc., certain domestic subsidiaries thereto, Toronto Dominion (Texas) Ozark Holdings, LLC as administrative agent thereunder, and Irwin D. Simon (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the SEC on February 13, 2024). |
| 10.2 | certain lenders signatory thereto. Form of Transaction Bonus Agreement (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, filed with the SEC on February 13, 2024). |
| 31.1* | Certification of Principal Executive Officer, pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Principal Executive Officer, pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.3* | Certification of Principal Financial Officer, pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1** | Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2** | Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.3** | Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document |
| 101.SCH* | XBRL Taxonomy Extension Schema Document |
| 101.CAL* | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF* | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB* | XBRL Taxonomy Extension Labels Linkbase Document |
| 101.PRE* | XBRL Taxonomy Extension Presentation Linkbase Document |
| 104* | The cover page for the Company's Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101 |

* Filed herewith.

** Furnished herewith.

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**SIGNATURES**

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

**Whole Earth Brands, Inc.**

| | | | |
|---|---|---|---|
| | | | /s/ Rajnish Ohri |
| Date: November 9, 2023 May 9, 2024 | | Name: | Rajnish Ohri |
| | | Title: | Co-Chief Executive Officer |
| | | | (Principal Executive Officer) |
| | | | /s/ Jeffrey Robinson |
| Date: November 9, 2023 May 9, 2024 | | Name: | Jeffrey Robinson |
| | | Title: | Co-Chief Executive Officer |
| | | | (Principal Executive Officer) |
| | | | /s/ Bernardo Fiaux |
| Date: November 9, 2023 May 9, 2024 | | Name: | Bernardo Fiaux |
| | | Title: | Chief Financial Officer |
| | | | (Principal Financial and Accounting Officer) |



**Exhibit 10.1**

THIRD AMENDMENT AGREEMENT TO AMENDED AND RESTATED LOAN AGREEMENT

This THIRD AMENDMENT AGREEMENT TO AMENDED AND RESTATED LOAN AGREEMENT (this "**Amendment Agreement**") is entered into as of October 5, 2023, among Whole Earth Brands, Inc., a Delaware corporation (formerly Act II Global Acquisition Corp., a Cayman Islands exempted company) (the "**Borrower**"), the other Credit Parties party hereto, the Lenders party hereto (constituting the Required Revolving Lenders) and Toronto Dominion (Texas) LLC, in its capacity as the Administrative Agent under the Loan Agreement (in such capacity, the "**Administrative Agent**").

**RECITALS:**

WHEREAS, the Borrower, the other Credit Parties party thereto, the lenders party thereto and the Administrative Agent are parties to that certain Amendment and Restatement Agreement, dated as of February 5, 2021 (the "**A&R Agreement**"), which established, and resulted in the effectiveness of, that certain Amended and Restated Loan Agreement, dated as of February 5, 2021 (as amended by that certain First Amendment, dated as of June 15, 2022, and that certain Second Amendment, dated as of April 24, 2023, and as further amended, restated, amended and restated, supplemented or otherwise modified prior to the date hereof, the "**Existing Loan Agreement**", and as amended by this Amendment Agreement and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time hereafter, the "**Loan Agreement**"), by and among the Borrower, the lenders from time to time party thereto (the "**Lenders**"), the Administrative Agent and the other parties party thereto from time to time;

WHEREAS, the Borrower has requested an amendment to the Existing Loan Agreement that would amend and revise the definition of "Consolidated EBITDA" set forth in Section 1.1 of the Existing Loan Agreement solely for the Calculation Purpose (as defined below);

WHEREAS, subject to the terms and conditions of this Amendment Agreement and the Existing Loan Agreement, the Administrative Agent and the Lenders party hereto (constituting the Required Revolving Lenders), are willing, on the Third Amendment Effective Date (as defined in Section 3 below), to enter into this Amendment Agreement and make the Amendment (as defined below) to the Existing Loan Agreement until the Termination Date (as defined below), on the terms and subject to the conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises, mutual agreements, provisions and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT:

Section 1. Definitions. Unless otherwise defined herein, each capitalized term used in this Amendment Agreement (including the recitals) and not defined herein shall be defined in accordance with the Existing Loan Agreement as amended hereby.

Section 2. Amendment.

2.1 In reliance upon the representations and warranties and acknowledgements of the Credit Parties set forth in Section 5 below and subject to the conditions to effectiveness set forth in Section 3 below, commencing with the Test Period for Fiscal Quarter ending June 30, 2023 until and including the applicable Test Periods through (and including) the Termination Date, and solely for the Calculation Purpose (as defined below) and no other purpose under any Loan Document, clause (b)(x) of the definition of "Consolidated EBITDA" contained in Section 1.1 of the Existing Loan Agreement is hereby amended, restated and replaced in its entirety by the following (the "**Amendment**"):

"(x) the fees, costs, charges, expenses, accruals or reserves actually incurred and realized by the Borrower and its Restricted Subsidiaries in connection with the Borrower's or its Restricted Subsidiaries' supply chain reinvention activities and transactions, as described in reasonable detail to the Administrative Agent; provided that such fees, costs, charges, expenses, accruals or reserves, shall not, in the aggregate for any applicable Test Period, exceed the amount set forth below opposite the applicable Fiscal Quarter ending on the date set forth below for such Test Period:

| Fiscal Quarter | Amount |
| --- | --- |
| June 30, 2023 | $21,000,000.00 |
| September 30, 2023 | $20,000,000.00 |
| December 31, 2023 | $15,000,000.00 |
| March 31, 2024 | $10,000,000.00 |

2.2 Notwithstanding anything to the contrary herein or in any other Loan Document, the Amendment shall:

(a) be effective solely for the purposes of determining compliance with the financial covenants set out in Section 7.8 of the Loan Agreement (the "**Calculation Purpose**") and for no other purpose under the Loan Agreement or any other Loan Document; and

(b) automatically terminate on (and including) the last day of Fiscal Quarter ending March 31, 2024 (the "**Termination Date**").

2.3 For the avoidance of doubt, the Amendment (i) shall apply to and be reflected in the financial statements and Compliance Certificates delivered in accordance with Section 6.1, Section 6.2 and Section 6.3 of the Loan Agreement beginning with the financial statements and Compliance Certificate delivered with respect to Fiscal Quarter ending June 30, 2023 through and including the financial statements and Compliance Certificate delivered with respect to Fiscal Quarter ending March 31, 2024, (ii) shall not apply to any periods, and shall not be reflected in any financials statements or related Compliance Certificates for any periods, ending after Fiscal Quarter ending March 31, 2024,(iii) shall not impact any other calculation of Consolidated EBITDA under any Loan Document and (iv) shall not impact or otherwise modify the ability of the Borrower and its Restricted Subsidiaries from adding back any fees, costs, charges, expenses, accruals, reserves, cost savings, operating expense reductions, operating improvements or synergies actually incurred and realized by the Borrower and its Restricted Subsidiaries in connection with the Borrower's or its Restricted Subsidiaries' supply chain reinvention activities and transactions in either clause (b)(viii) or clause (b)(ix) of the definition of "Consolidated EBITDA" contained in Section 1.1 of the Existing Loan Agreement for any period ending after the Termination Date to the extent such fees, costs, charges, expenses, accruals, reserves, cost savings, operating expense reductions, operating improvements or synergies are otherwise added back pursuant to such clauses in accordance with, and subject to any limitations in, such clauses.

Section 3. Conditions to Effectiveness. The effectiveness of this Amendment Agreement is subject to the prior or concurrent satisfaction of each of the following conditions and this Amendment Agreement shall become effective on the first Business Day on which the following conditions are satisfied or waived (the "**Third Amendment Effective Date**"):

3.1 Administrative Agent shall have received:

(i) a copy of this Amendment Agreement executed by Borrower, each other Credit Party, the Administrative Agent and the Required Revolving Lenders;

(ii) a duly executed certificate of the secretary (or similar Authorized Signatory) of each Credit Party dated as of the Third Amendment Effective Date, including a certificate of incumbency with respect to two or more than two Authorized Signatories of such Person, together with the following items: (A) a true, correct and complete copy of each Organizational Document of such Credit Party as in effect on the Third Amendment Effective Date, (B) certificates of status (or equivalent) for such Credit Party issued by the Secretary of State or similar state official for the state of incorporation, formation or organization of such Credit Party, as applicable, and (C) a true, complete and correct copy of the corporate or other organizational resolutions of such Credit Party authorizing such Credit Party, as applicable, to execute, deliver and perform this Amendment Agreement and the other Loan Documents to which such Credit Party is a party;

(iii) payment of all fees, costs and expenses required to be paid on or prior to the Third Amendment Effective Date pursuant to any Loan Document, including, without limitation, all reasonable legal fees and documented out of pocket expenses of the Administrative Agent reimbursable under Section 11.2 of the Loan Agreement (including in connection with this Amendment Agreement); and

(iv) the Administrative Agent shall have received such other certificates, documents and agreements as the Administrative Agent or any Lender may reasonably request.

3.2 No Default or Event of Default shall have occurred and be continuing or shall be caused by the transactions contemplated by this Amendment Agreement.

3.3 All of the representations and warranties under this Amendment Agreement and the other Loan Documents, shall be true and correct as of the date hereof and the Third Amendment Effective Date (except to the extent relating specifically to a specific prior date) in all material respects (provided that if any representation or warranty already includes a materiality or material adverse effect qualifier, such representation or warranty shall be true and correct in all respects), both before and after giving effect to this Amendment Agreement and after giving effect to any updates to information provided to the Lenders in accordance with the terms of such representations and warranties.

Section 4. Acknowledgments and Affirmations of the Credit Parties; No Novation.

(a) Each Credit Party hereby expressly acknowledges the terms of this Amendment Agreement and confirms, reaffirms and ratifies, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment Agreement and the transactions contemplated hereby and thereby, (ii) its guarantee of the Obligations under the Subsidiary Guaranty and (iii) its grant of Liens on the Collateral to secure the Obligations pursuant to each of the Security Documents; *provided* that, on and after the effectiveness of this Amendment Agreement, each reference in the Subsidiary Guaranty and in each of the other Loan Documents to “the Loan Agreement”, “thereunder”, “thereof” or words of like import shall mean and be a reference to the Loan Agreement, as amended hereby. Without limiting the generality of the foregoing, the Security Documents to which such Credit Party is a party and all of the Collateral described therein do, and shall continue to secure, payment of all of the Obligations.

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(b) Neither this Amendment Agreement nor the effectiveness of the Loan Agreement shall extinguish the Obligations for the payment of money outstanding under the Existing Loan Agreement or discharge or release the Lien or priority of any Loan Document or any other security therefor or any guarantee thereof, and the liens and security interests in favor of the Administrative Agent for the benefit of the Secured Parties securing payment of the Obligations are in all respects continuing and in full force and effect with respect to all Obligations. Nothing herein contained shall be construed as a substitution or novation, or a payment and reborrowing, or a termination, of the Obligations outstanding under the Existing Loan Agreements or instruments guaranteeing or securing the same which shall remain in full force and effect, except as modified hereby or by instruments executed concurrently herewith. Nothing expressed or implied in this Amendment Agreement, the Loan Agreement or any other document contemplated hereby or thereby shall be construed as a release or other discharge of the Borrower under the Existing Loan Agreements or the Borrower or any other Credit Party under any Loan Document from any of its obligations and liabilities thereunder, and such obligations are in all respects continuing with only the terms being modified as provided in this Amendment Agreement and in the Loan Agreement. The Existing Loan Agreement and each of the other Loan Documents shall remain in full force and effect, as modified hereby.

(c) Each Credit Party hereby expressly acknowledges that the Amendment made pursuant to Section 2 of this Amendment Agreement shall terminate on (and at the end of) the Termination Date, at which point the definition of “Consolidated EBITDA” as set out in the Existing Loan Agreement shall be reinstated and continue to be in full force and effect for all purposes under the Loan Agreement.

(d) Other than for the Calculation Purpose, each Credit Party hereby expressly acknowledges that the definition of “Consolidated EBITDA” under the Existing Loan Agreement shall continue to be in full force and effect for all purposes under the Loan Documents.

Section 5. Miscellaneous.

5.1 Representations and Warranties. Each Credit Party, by signing below, hereby represents and warrants to the Administrative Agent and the Lenders that:

(i) Before and after giving effect to this Amendment Agreement, the representations and warranties of such Credit Party made under the Loan Agreement and the other Loan Documents (including, without limitation, all representations and warranties with respect to the Borrower’s Subsidiaries) except to the extent relating specifically to a specific prior date, are true and correct in all material respects (provided that if any representation or warranty already includes a materiality or material adverse effect qualifier, such representation or warranty is true and correct in all respects) both before and after giving effect to any updates to information provided to the Lenders in accordance with the terms of the Loan Agreement;

(ii) such Credit Party is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its organization or formation (to the extent such concept exists in such jurisdiction) and has all organizational power and authority to execute, deliver and perform its obligations under this Amendment Agreement;

(iii) the execution, delivery and performance of this Amendment Agreement by such Credit Party, has been duly authorized by all necessary corporate or other organizational action;

(iv) this Amendment Agreement constitutes its valid and binding obligation, enforceable in accordance with its terms, except as the enforceability thereof may be limited by Debtor Relief Laws or by general principles of equity and principles of good faith and fair dealing;

(v) no Default or Event of Default exists or would result after giving effect to this Amendment Agreement and the other transactions contemplated hereby; and

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(vi) the execution, delivery and performance of this Amendment Agreement by the Borrower and other Credit Parties, and the consummation of the transactions contemplated hereby, do not and will not (i) require any consent, approval, authorization, permit or license, governmental or otherwise, not already obtained, except as would not reasonably be expected to have a Materially Adverse Effect, (ii) violate any Applicable Law respecting the Borrower or any of its Restricted Subsidiaries except as would not reasonably be expected to have a Materially Adverse Effect, (iii) conflict with, result in a breach of, or constitute a default under the Organizational Documents of the Borrower or any of its Restricted Subsidiaries, (iv) result in a breach of, or constitute a default under any material indenture, agreement, or other instrument, to which the Borrower or any of its Restricted Subsidiaries is a party or by which any of them or their respective properties may be bound except where such breaches or defaults, individually or in the aggregate, would not reasonably be expected to have a Materially Adverse Effect, or (v) result in or require the creation or imposition of any Lien upon or with respect to any property now owned or hereafter acquired by the Borrower or any of its Restricted Subsidiaries, except for Permitted Liens.

5.2 Loan Agreement Unaffected; Lender Consent; Severability and Captions.

(a) Each reference to the Existing Loan Agreement or in any other Loan Document shall hereafter be construed as a reference to the Loan Agreement as amended hereby and as may be further amended, modified, restated, supplemented or extended from time to time. Except as herein otherwise specifically provided, all provisions of the Loan Documents shall remain in full force and effect and be unaffected hereby and are hereby ratified and confirmed in full. This Amendment Agreement constitutes a “Loan Document” for all purposes under the Existing Loan Agreement, the Loan Agreement and the other Loan Documents.

(b) Each Lender party hereto hereby irrevocably consents to the terms of this Amendment Agreement and the amendments contained herein, which consent shall (for the avoidance of doubt) be binding on each other Lender pursuant to Section 11.12(a) of the Loan Agreement, and directs the Administrative Agent to enter into this Amendment Agreement.

(c) Any provision of this Amendment Agreement which is prohibited or unenforceable in any jurisdiction shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. The parties hereto acknowledge that this Amendment Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters, and that such limitations, tests and measurements are cumulative and must each be performed, except as expressly stated to the contrary in this Amendment Agreement. The captions and headings of this Amendment Agreement are for convenience of reference only and shall not affect the interpretation of this Amendment Agreement.

5.3 Guarantor Acknowledgment. Each Guarantor, by signing this Amendment Agreement:

(i) consents and agrees to and acknowledges the terms of this Amendment Agreement;

(ii) acknowledges and agrees that all of the Loan Documents to which such Guarantor is a party or otherwise bound, including both before and after giving effect to this Amendment Agreement, shall continue in full force and effect and that all of such Guarantor’s obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment Agreement; and

(iii) acknowledges and agrees that (A) notwithstanding the conditions to effectiveness set forth in this Amendment Agreement, such Guarantor is not required by the terms of the Loan Agreement or any other Loan Document to which such Guarantor is a party to consent to the amendments to the Loan Agreement effected pursuant to this Amendment Agreement and (B) nothing in the Loan Agreement, this Amendment Agreement or any other Loan Document shall be deemed to require the consent of such Guarantor to any future amendments or modifications to the Loan Agreement.

5.4 Counterparts; Integration; Effectiveness. This Amendment Agreement may be executed (physically, digitally or electronically) in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment Agreement together with the Loan Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 5, this Amendment Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto and thereafter shall be binding upon and inure to the benefit of the Borrower, each Agent, each Issuing Bank, each Lender and their respective successors and assigns. All Exhibits and Schedules referred to herein are incorporated in this Amendment Agreement by reference and constitute a part of this Amendment Agreement. Delivery of an executed (via physical, digital or electronic means) counterpart of a signature page of this Amendment Agreement by email or other electronic imaging (including in.pdf format) means shall be as effective as delivery of a manually executed and delivered counterpart of this Amendment Agreement. Section 11.23 of the Loan Agreement shall apply to this Amendment Agreement as if set forth in full herein.

5.5 Indemnity; Expenses; Limitation of Liabilities. Each Credit Party acknowledges and agrees that Section 11.2 of the Loan Agreement applies to this Amendment Agreement and the transactions, agreements and documents contemplated hereunder and/or delivered in connection herewith.

5.6 Survival of Representations and Warranties. All representations and warranties made hereunder shall survive the execution and delivery of this Amendment Agreement, and no investigation by Administrative Agent or any Lender or any subsequent extension of credit shall affect any of such representations and warranties or the right of Administrative Agent or any Lender to rely upon them.

5.7 Waiver of Claims. The Credit Parties hereby acknowledge and agree that, through the date hereof, each of the Administrative Agent and the Lenders has acted in good faith and has conducted itself in a commercially reasonable manner in its relationships with the Credit Parties in connection with the Obligations, the Existing Loan Agreement and the other Loan Documents, and the Credit Parties hereby waive and release any claims to the contrary solely with respect to the period through the Third Amendment Effective Date. To the maximum extent permitted by law, the Credit Parties hereby release, acquit and forever discharge the Administrative Agent and each of the Lenders, their respective Affiliates, and their respective officers, directors, employees, agents, attorneys, advisors, successors and assigns, both present and former, from any and all claims and defenses, known or unknown as of the Third Amendment Effective Date, with respect to the Obligations, this Amendment Agreement, the Existing Loan Agreement, the other Loan Documents and the transactions contemplated hereby and thereby, in each case, with respect to the period through the Third Amendment Effective Date.

5.8 GOVERNING LAW; SUBMISSION TO JURISDICTION; SERVICE OF PROCESS.

(a) THIS AMENDMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF, BUT INCLUDING SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(b) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK CITY IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH PARTY HERETO AGREES THAT THE AGENTS AND LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY CREDIT PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY SECURITY DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

(c) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT AGREEMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

5.9 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AMENDMENT AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

[Remainder of Page Intentionally Left Blank; Signature pages follow.]

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INWITNESSWHEREOF,thisAmendment Agreementhasbeendulyexecutedanddeliveredas ofthedatefirstabove written.

**WHOLE EARTH BRANDS, INC.,**
as the Borrower

By: /s/ Bernardo Fiaux
Name: Bernardo Fiaux
Title: Chief Financial Officer

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**PROJECT TASTE INTERMEDIATE LLC,**
as a Guarantor

By: /s/ Bernardo Fiaux
Name: Bernardo Fiaux
Title: Chief Financial Officer

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**EVD HOLDINGS LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Jeffrey Robinson |
| Name: | Jeffrey Robinson |
| Title: | President |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**MERISANT FOREIGN HOLDINGS I, INC.,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**MAFCO SHANGHAI LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Jeffrey Robinson |
| Name: | Jeffrey Robinson |
| Title: | President |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**MAFCO WORLDWIDE LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Jeffrey Robinson |
| Name: | Jeffrey Robinson |
| Title: | President |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**MERISANT COMPANY,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**MERISANT US, INC.,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**WESCO US LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**WHOLE EARTH FOREIGN HOLDINGS LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**WHOLE EARTH SWEETENER COMPANY LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**SWERVE, L.L.C.,**
as a Guarantor

By: Merisant, US, Inc.,
its sole member

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**SWERVE IP, L.L.C.,**
as a Guarantor

By: Merisant, US, Inc.,
its sole member

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**WSO INVESTMENTS, INC.,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**WHOLESOME SWEETENERS, INCORPORATED**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

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**TRUSWEETS, LLC,**
as a Guarantor

| | |
|---|---|
| By: | /s/ Bernardo Fiaux |
| Name: | Bernardo Fiaux |
| Title: | Chief Financial Officer |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**TORONTO DOMINION (TEXAS) LLC,**
as Administrative Agent

| | |
|---|---|
| By: | /s/ Victoria Roberts |
| Name: | Victoria Roberts |
| Title: | Authorized Signatory |

**THE TORONTO-DOMINION BANK, NEW YORK BRANCH**
as a Lender

| | |
|---|---|
| By: | /s/ Victoria Roberts |
| Name: | Victoria Roberts |
| Title: | Authorized Signatory |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**TRUIST BANK**
as a Lender

| | |
|---|---|
| By: | /s/ Steve Curran |
| Name: | Steve Curran |
| Title: | Director |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

**BMO BANK N.A., (formerly known as BMO Harris Bank N.A.)**
as a Lender

| | |
|---|---|
| By: | /s/ Liyang Yu |
| Name: | Liyang Yu |
| Title: | Vice President |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement]

COBANK, ACB,

as a Lender

| | |
|---|---|
| By: | /s/ LaTonya Keaton |
| Name: | LaTonya Keaton |

[Signature Page to Third Amendment Agreement to Amended and Restated Loan Agreement] 29

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,**
**AS ADOPTED PURSUANT TO SECTION 302 OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Rajnish Ohri, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Whole Earth Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 9, 2023 May 9, 2024

/s/ Rajnish Ohri

Rajnish Ohri
Co-Chief Executive Officer

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,**
**AS ADOPTED PURSUANT TO SECTION 302 OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey Robinson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Whole Earth Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 9, 2024

/s/ Jeffrey Robinson
Jeffrey Robinson
Co-Chief Executive Officer

**Exhibit 31.3**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,**
**AS ADOPTED PURSUANT TO SECTION 302 OF**
**THE SARBANES-OXLEY ACT OF 2002**

I, Bernardo Fiaux, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Whole Earth Brands, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 9, 2024

/s/ Bernardo Fiaux

Bernardo Fiaux
Chief Financial Officer

**Exhibit 32.1**

**CERTIFICATION**
**PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Whole Earth Brands, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Rajnish Ohri, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 9, 2024

/s/ Rajnish Ohri

Rajnish Ohri
Co-Chief Executive Officer

**Exhibit 32.2**

**CERTIFICATION**
**PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Whole Earth Brands, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Jeffrey Robinson, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 9, 2024

/s/ Jeffrey Robinson

Jeffrey Robinson
Co-Chief Executive Officer

**Exhibit 32.3**

**CERTIFICATION**
**PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Whole Earth Brands, Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission (the "Report"), I, Bernardo Fiaux, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2023 May 9, 2024

/s/ Bernardo Fiaux

Bernardo Fiaux
Chief Financial Officer

**DISCLAIMER**