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

FORM 10-K

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

For the Fiscal Year Ended December 31, 2023

OR

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

For the transition period from _ to

Commission File Number: 001-38990

Advantage Solutions Inc.

(Exact name of registrant as specified in its charter)

Delaware

83-4629508

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

15310 Barranca Parkway, Suite 100
Irvine, CA 92618
(Address of principal executive offices)

(949) 797-2900
(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
Class A common stock, \$0.0001 par value per share	ADV	Nasdaq Global Select Market
Warrants exercisable for one share of Class A common stock at an exercise price of \$11.50	ADVWW	Nasdaq Global Select Market
Securities registered pursuant to Section 12(g) of the Act: None		

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES NO

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

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

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and non-voting common stock held by non-affiliates, computed by reference to the closing sales price of \$2.34 reported on the Nasdaq Global Select Market, was approximately \$

204
million.

As of February 29, 2024, there were

320,426,923
shares of the registrant's common stock, \$0.0001 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Definitive Proxy Statement for the 2024 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the registrant's fiscal year ended December 31, 2023, are incorporated by reference in Part III of this report to the extent stated.

Advantage Solutions Inc.

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Part I

Forward-Looking Statements

This Annual Report on Form 10-K ("Annual Report") and other documents we file with the Securities and Exchange Commission ("SEC") contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our business, our beliefs and our management's assumptions. In addition, we, or others on our behalf, may make forward-looking statements in press releases, written statements or our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. Such words as "expect," "anticipate," "outlook," "could," "target," "project," "intend," "plan," "believe," "seek," "estimate," "should," "may," "assume" and "continue" as well as variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and they involve certain risks, uncertainties and assumptions that are difficult to predict. We describe our respective risks, uncertainties and assumptions that could affect the outcome or results of operations in Part I, Item 1A. *Risk Factors*. We have based our forward-looking statements on our management's beliefs and assumptions based on information available to our management at the time the statements are made. We caution you that actual outcomes and results may differ materially from what is expressed, implied or forecasted by our forward-looking statements. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

Item 1. Business

Our Company

We are a leading business solutions provider to consumer goods manufacturers and retailers. We have a strong platform of competitively advantaged sales and marketing services built over multiple decades – essential, business critical services like headquarter sales, retail merchandising, in-store sampling, digital commerce and shopper marketing. For brands and retailers of all sizes, we help get the right products on the shelf (whether physical or digital) and into the hands of consumers (however they shop). We use a scaled platform to innovate as a trusted partner with our clients, solving problems to increase their efficiency and effectiveness across a broad range of channels.

At the most fundamental level:

- We sit at the nexus of consumer goods companies and retailers and serve as a trusted partner to both.
- We help our clients sell more while spending less. We make them more effective and more efficient.
- We win by providing best-in-class service every day and innovating on a nimble operating platform.
- We drive productivity to provide fuel for reinvestment and growth.
- Simply put, we are built to do it better, cheaper and faster.

We offer headquarter sales representation services to consumer goods manufacturers, for whom we prepare and present to retailers a business case to increase distribution of manufacturers' products and optimize how they are displayed, priced and promoted. We also make in-store merchandising visits for both manufacturer and retailer clients to ensure the products we represent are adequately stocked and properly displayed.

Within our marketing services, our largest service offering is retail experiential, also known as in-store sampling or demonstrations, through which we create and manage highly customized large-scale sampling programs (both in-store and on-line) for leading retailers. We also have a collection of specialized agency businesses, where we provide private label services to retailers and develop granular marketing programs for brands and retailers through our shopper, consumer and digital marketing agencies.

Our expertise and scale have compounded over decades, built on differentiated business systems, talent, relationships, and technology. We listen, learn and invest in capabilities that allow us to meet the evolving needs of brands and retailers – solving existing problems better and new problems quickly, to navigate change in an increasingly omni-channel world. This, in turn, helps us compound our relationships with clients. These relationships are enhanced by a suite of technology offerings which leverage data and analytics solutions to support our associates in creating, executing and measuring insight-based plans to grow our clients' businesses.

Our Solutions

Our services are provided across two segments — sales and marketing.

Sales Segment

Through our sales segment, we provide our clients with a full suite of outsourced solutions to enhance sales in the traditional retail, foodservice and e-commerce channels. Within our sales segment, we typically generate revenues on a commission, fee-for-service or cost-plus basis. Our primary sales services include:

Brand-Centric Services

Our service offerings have been predominately centered around providing solutions to branded consumer goods manufacturers (i.e., non-private label manufacturers). These brand-centric services include:

Headquarter Relationship Management

We act as a representative of our consumer goods manufacturer clients and facilitate relationships with retailers across a range of matters, including business development and sales planning efforts. We prepare customized, data-driven business plans on behalf of our manufacturer clients and present a business case to increase distribution of their products, and optimize the shelf placement, pricing and promotion of their products, to our extensive network of industry contacts spanning retailer buying organizations and senior executive ranks. Our services are enhanced by our in-depth understanding of both the manufacturers' and retailers' strategic priorities, which is supported by our close physical proximity to our clients' offices, as well as our proactive approach in identifying business-building opportunities. Our scale allows us to offer these services on a local, regional or national level, as well as for a client's designated product, brand or entire portfolio.

Analytics, Insights and Intelligence

To support our sales efforts, we field a team of analytics professionals who provide category and space management services. These professionals analyze consumer purchase and retailer data to identify opportunities to increase the sales of our clients' products and categories. We use analytical tools, which aggregate data to guide sales strategies to expand product distribution and optimize other factors such as assortment, planograms, pricing and trade promotions. We also use post-promotion analytical tools to evaluate promotion effectiveness and work with clients and retailers to make the adjustments necessary to meet sales and profit objectives at the product and category level. Our teams of category managers are available in every market, including some who sit onsite with retailers and assist in developing analysis to support recommendations. We also conduct advanced analytical services for clients such as retailer point-of-sale and shopper card analytics and primary market and shopper research.

Brand-Centric Merchandising

We deploy teams in retail locations to support manufacturers' in-store sales strategies. Our associates conduct both cyclical and ad hoc store visits to manage product availability and positioning, implement promotions, install point-of-purchase displays and perform other value-added merchandising services. Tablet technology and software are used extensively in the workflow. For example, routing software helps guide our associates from location to location in the most efficient and effective way based on factors such as store volume, sales velocity, store location and in-store conditions. In store, our associates use our merchandising application and scanners to efficiently and effectively execute a range of activities such as distribution tasks, validating promotional compliance or answering survey questions.

We leverage software for daily point-of-sale store data, supply chain data and advanced algorithms to target and correct potential store-level merchandising issues in real time, such as stock keeping units that are void, out of stock or past expiration. We use this information to improve the routing of our retail teams to stores where issues exist, or may soon exist, as well as prioritize our associates' work to address the highest-value opportunities while conducting a store visit.

We offer our clients a full spectrum of flexible service models for our retail services coverage. In our dedicated coverage model, our associates perform services exclusively for a particular client and have intimate knowledge of its categories and products. Our syndicated coverage model utilizes shared teams in particular channels to perform services for multiple clients while in a store. Finally, we offer hybrid coverage models whereby clients can choose to have dedicated teams covering designated channels or retailers and syndicated coverage for other channels. Our retail services teams focus either on manufacturers or particular retail channels, such as grocery, drug, mass, convenience, club and natural/specialty, which allows them to develop expertise in either manufacturer products or a particular class of trade.

Retailer-Centric Services

We leverage our strategic position with retailers to develop solutions that address their needs. Our retailer-centric services include:

Retailer-Centric Merchandising

We serve select retailers as their exclusive provider, and other retailers as an authorized provider, of in-store merchandising or reset services. For some of our retailer clients, we perform other in-store services, such as compliance audits, data collection and in-store product assembly, and certain advisory services, such as analytics and planogram services intended to increase sales and optimize inventory and space management, so that the retailer's personnel can focus on interacting with and servicing its shoppers.

In-Store Media

We manage a wide variety of media, merchandising and display platforms for retailers, including multi-manufacturer circular programs.

In addition to our brand-centric and retailer-centric sales services, we have a portfolio of other broadly applicable offerings that are designed to grow sales and reduce costs for clients. These services include:

Marketing Segment

We believe that our marketing segment is differentiated from our competition by our people, retail connectivity, entrepreneurial marketing mindset and scale. We launched our marketing business in 2000 in response to our observation of the challenges that our clients were experiencing by working with traditional marketing agencies that were not effectively connecting brand marketing strategies, sales planning efforts and retailer strategies to offer cohesive brand marketing. Our position as an intermediary in the market gives us deep insight and understanding into manufacturers' needs from a sales perspective, their marketing and promotion strategies, as well as retailer strategies. We believe this position enables us to create more effective, shopper-focused marketing promotions by connecting client sales and marketing strategies with those of retailers.

We believe that our marketing business is differentiated from traditional marketing agencies in that it is built upon our insights and understanding of manufacturer and retailer strategies, leverages our ability to design and execute coordinated, large-scale marketing platforms in retail and combines capabilities from across the various disciplines in our portfolio to influence consumers at critical points along the purchase journey through execution platforms that reach audiences in-store and out of store to deliver superior client results.

Since founding our marketing business, we have grown to become a national agency collective and are the agency of record for many of the most recognized brands across the retail, packaged goods, technology, apparel, automotive, travel, entertainment, education and healthcare industries. We were ranked by Ad Age as the largest U.S. promotions agency and the largest U.S. experiential and event marketing agency from 2014 to 2023 based on prior year revenues.

Within our marketing segment, we typically generate revenues on a fee-for-service, cost-plus or commission basis.

Brand-Centric Services

Shopper and Consumer Marketing

For manufacturer clients, we analyze shopper behavior and apply our deep retailer knowledge and expertise to offer planning, execution and measurement of insight-based, retailer-specific promotions that target a retailer's specific shopper base to drive product sales. We combine an understanding of how a brand's consumers behave as shoppers in different channels, formats and retailers (mined from data resources) with an understanding of retailer objectives, strategies and preferred programming tactics (informed by our connectivity and resources in the field) to develop programs that successfully promote the sales of clients' products at retail. Manufacturers also hire us for national consumer promotions, which are designed to stimulate demand for, and awareness of, their products more broadly.

Brand Experiential

We design and execute brand experiences in retail and non-retail settings in order to help brands engage, educate, acquire and retain consumers and impact purchase behavior.

Our brand experiential solutions include large-scale festivals and mobile tours, as well as assisted sales programs whereby our associates act as extensions of client sales teams, educating consumers as well as store employees.

Retailer-Centric Services

Retail Experiential

We design and execute one-to-one engagement strategies in order to drive product trial and sales and help retailers differentiate their in-store experience and generate more loyalty from shoppers. This includes in-store sampling and demo programs with fully-scaled operations including staffing, training, field management, assembly, fulfillment, technology and reporting. We deploy teams at certain retailers that develop event concepts in conjunction with marketing, merchandising and store operations and then secure supplier support and funding for the programs. Our other retail experiential solutions include premium advisors who provide assistance in complex categories (such as beauty and adult beverages), virtual advisors who provide assistance via text messaging or web and curated sampling boxes for online grocery pick-up and delivery orders. Retail experiential constitutes the largest service in the marketing segment, representing more than half of our retailer-centric and marketing revenues.

Private Label

We help maximize the market potential of private label portfolios by providing comprehensive private label strategy, development and management services to retailers and private label manufacturers. By leveraging our analytical capabilities and expertise, we develop strategies and provide insights that help retailers establish and grow productive and profitable private label programs across new and existing product categories. This process often begins with a thorough analysis of the marketplace to develop a private label portfolio strategy that aligns with a client's priorities. We help identify the most compelling product categories to target and specific products to develop. We also provide packaging and design services to bring our clients' brands to life through strong brand identities. Our retailer clients are supported by analytical teams and associates who execute strategies through assortment planning, product sourcing and marketing and ongoing program management.

In addition to our brand-centric and retailer-centric marketing services, we have a portfolio of other broadly applicable offerings that are designed to engage consumers and enhance marketing efforts for clients. These services include:

Digital Marketing

Using advanced analytics, our digital marketing teams provide a wide range of services to clients, including: interactive design and development across mobile, tablet and desktop platforms; application development; content management solutions; paid media, including search engine marketing, and programmatic and direct media; and social media development and management.

Digital Media and Advertising

We offer targeted media and advertising solutions powered by our proprietary data that deliver to curated, custom audiences from first and third-party data sources. Our cross-screen advertising capabilities enable advertisers to target and engage with custom audience segments across devices via rich media, display, email and value exchange ads.

Organizational Changes

During the fourth quarter of 2023, certain organizational changes were announced that will impact our future internal reporting. As a result of these changes, we expect to have three reportable segments. We expect that any operational changes impacting our reportable segments will be effective in the first quarter of 2024.

Government Regulation

In connection with the services we provide, we must comply with various laws and regulations from federal, state, local and foreign regulatory agencies. We believe that we are in material compliance with regulatory requirements applicable to our business. These regulatory requirements include, without limitation:

- federal, state, local and foreign laws and regulations involving minimum wage, health care, overtime, sick leave, lunch and rest breaks and other similar wage, benefits and hour requirements and other similar laws;

- Title VII of the Civil Rights Act and the Americans with Disabilities Act and regulations of the U.S. Department of Labor, the Occupational Safety & Health Administration, the U.S. Equal Employment Opportunity Commission and the equivalent state agencies and other similar laws;
- food safety matters (e.g., federal, state and local certification and training and inspection and enforcement of standards for our associates, facilities, equipment and the products we promote), alcohol beverage marketing regulations, food and permitting matters (e.g., licensing under the Perishable Agricultural Commodities Act and regulations from the U.S. Department of Agriculture), custom and import matters with respect to products imported to and exported across international borders;
- the U.S. Foreign Corrupt Practices Act, the UK Bribery Act and other similar anti-bribery and antikickback laws and regulations that generally prohibit companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business; and
- federal, state and foreign anticorruption, data protection, privacy, consumer protection, content regulation and other laws and regulations, including without limitation, GDPR and the CCPA.

Human Capital Management

Our people represent one of the most important assets to our business. As of December 31, 2023, we employed approximately 70,000 associates. Approximately 20,000 are full-time and approximately 50,000 are part-time. Approximately 59,000 of our associates are in the United States. As of December 31, 2023, none of our associates in the United States were represented by a trade union or were the subject of a collective bargaining agreement.

We are committed to creating a performance culture with a high degree of associate engagement. Our talent and leadership development programs are intended to foster our associates' ambitions, help develop their careers and support their changing needs and the needs of the business. We believe that our associates' contributions and active engagement with their fellow associates are important to our operational performance. Furthermore, as our company, industry and clients evolve, we are focused at all levels on improving turnover, retention, development, and the overall associate experience.

We experience meaningful turnover among our entry-level associates each year, and the turnover is most significant among those who work part-time. We experience less turnover among our mid-level and senior-level associates. Given the nature of these needs, our recruiting and retention practices are important to meeting the needs and expectations of our clients and customers. As such, we set clear objectives with our associates, analyze performance and reward and recognize associates who outperform. At the same time, we remain committed to providing opportunities for our associates to grow and develop their careers with us and encourage internal promotions to leadership roles within our business units for high-performing or motivated associates. No matter their career goals, we are committed to developing, rewarding and retaining high-quality associates as we transform our business in response to the ever-changing needs of our clients and industry.

We strive to cultivate respect, trust and transparency, and we embrace a diversity of thought and of people. We are committed to creating a workplace where everyone is respected, valued, feels a sense of belonging and has an equitable opportunity to succeed. We believe diversity, equity and inclusion are important components of our commitment to put people first and our long-term success as an enterprise. We believe that a diverse workforce that is reflective of our diverse customer base will position us to better understand customers' wants and needs, which we believe drives our ability to deliver superior customer value and successfully innovate. Diverse perspectives amongst our team allows them to evaluate issues through different experiences and perspectives and help guide us in a thoughtful way. Our diversity, equity and inclusion efforts include enterprise-wide training, a DE&I board, and eight distinct employee resource groups, and we encourage a culture of inclusivity.

Intellectual Property

We own or have the rights to use certain trade names and trademarks that are registered with the U.S. Patent and Trademark Office or other foreign trademark registration offices or exist under common law in the United States and other jurisdictions. Trade names that are important in identifying and distinguishing our business include, but are not limited to, Advantage Solutions, Advantage Sales, Daymon, SAS and, Club Demonstration Services. Our rights to some of these trade names and trademarks may be limited to select markets. We also own domain names, including advantagesolutions.net.

We rely on trade secrets, including unpatented know-how, and proprietary systems and information, to maintain and develop our technology-enabled services. We try to protect trade secrets and know-how by taking reasonable steps to keep them confidential, including entering into nondisclosure and confidentiality agreements with our employees, contractors and associates that contain

confidentiality obligations and entering into invention assignment commitments that obligate employees, contractors and associates to assign to us any inventions developed in the course of their work for us.

Available Information

We maintain a link to investor relations information on our website, www.advantagesolutions.net, where we make available, free of charge, SEC filings, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. All SEC filings are also available at the SEC's website at www.sec.gov. Our website and the information contained on or connected to our website are not incorporated by reference herein, and our web address is included as an inactive textual reference only.

Item 1A. Risk Factors

Investing in our securities involves risks. Before you make a decision regarding our securities, in addition to the risks and uncertainties discussed above under "Forward-Looking Statements," you should carefully consider the specific risks set forth herein. If any of these risks actually occur, it may materially harm our business, financial condition, liquidity and results of operations. As a result, the market price of our securities could decline, and you could lose all or part of your investment. Additionally, the risks and uncertainties described in this Annual Report are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may become material and adversely affect our business. The following discussion should be read in conjunction with the financial statements and notes to the financial statements included herein.

Summary of Principal Risks Associated with Our Business

Set forth below is a summary of some of the principal risks we face:

- market-driven wage changes or changes to labor laws or wage or job classification regulations, including minimum wage;
- our ability to hire, timely train, and retain talented individuals for our workforce, and to maintain our corporate culture as we grow;
- the effects of the COVID-19 pandemic or future pandemics and the measures taken to mitigate its spread including its adverse effects on our business, results of operations, financial condition and liquidity;
- developments with respect to retailers that are out of our control;
- our ability to continue to generate significant operating cash flow;
- consolidation within the industry of our clients creating pressure on the nature and pricing of our services;
- consumer goods manufacturers and retailers reviewing and changing their sales, retail, marketing, and technology programs and relationships;
- our ability to successfully develop and maintain relevant omni-channel services for our clients in an evolving industry and to otherwise adapt to significant technological change;
- client procurement strategies putting additional operational and financial pressure on our services;
- our ability to avoid or manage business conflicts among competing brands;
- limitations, restrictions, and business decisions involving our joint ventures and minority investments;
- our ability to identify attractive acquisition targets, acquire them at attractive prices, and successfully integrate the acquired businesses;
- difficulties in integrating acquired businesses;
- complications with the design or implementation of our new enterprise resource planning system;
- changes in applicable laws or regulations;
- the possibility that we may be adversely affected by other political, economic, business, and/or competitive factors;

- potential and actual harms to our business arising from the matter related to the 2018 acquisition of Take 5 Media Group (the "Take 5 Matter");
- failure to meet environmental, social and governance ("ESG") expectations or standards could adversely affect our business, results of operations, financial condition, or stock price;
- our ability to respond to changes in digital practices and policies;
- exposure to foreign currency exchange rate fluctuations and risks related to our international operations;
- our substantial indebtedness and our ability to refinance at favorable rates;
- our ability to maintain proper and effective internal control over financial reporting in the future; and
- the ability to maintain applicable listing standards.

Risks Related to the Company's Business and Industry

Market-driven wage increases and changes to wage or job classification regulations, including minimum wages could adversely affect our business, financial condition or results of operations.

Market competition has caused and may continue to cause us to increase the salaries or wages paid to our associates or the benefits packages that they receive. If we experience further market-driven increases in salaries, wage rates or benefits packages or if we fail to increase our offered salaries, wages or benefits packages competitively, the quality of our workforce could decline, causing our standards of client service to suffer. Low unemployment rates or lower levels of labor force participation rates may increase the likelihood or impact of such market pressures. Any of these changes affecting wages or benefits for our associates could adversely affect our business, financial condition or results of operations.

Changes in labor laws related to employee hours, wages, job classification and benefits, including health care benefits, could adversely affect our business, financial condition or results of operations. As of December 31, 2023, we employed approximately 70,000 associates, many of whom are paid above, but near, applicable minimum wages, and their wages may be affected by changes in minimum wage laws.

Additionally, many of our salaried associates are paid at rates that could be impacted by changes to minimum pay levels for exempt roles. Certain state or municipal jurisdictions in which we operate have recently increased their minimum wage by a significant amount, and other jurisdictions are considering or plan to implement similar actions, which may increase our labor costs. Any increases at the federal, state or municipal level to the minimum pay rate required to remain exempt from overtime pay may adversely affect our business, financial condition or results of operations.

An inability to hire, timely train and retain talented individuals for our workforce could slow our growth and adversely impact our ability to operate our business.

Our ability to meet our workforce needs, while controlling associate-related costs, including salaries, wages and benefits, is subject to numerous external factors, including the availability of talented persons in the workforce in the local markets in which we operate, prevailing unemployment rates and competitive wage rates in such markets. We may find that there is an insufficient number of qualified individuals to fill our associate positions with the qualifications we seek. Competition in these communities for qualified staff could require us to pay higher wages and provide greater benefits, especially if there is significant improvement in regional or national economic conditions. We must also train and, in some circumstances, certify these associates under our policies and practices and any applicable legal requirements. If we are unable to hire, timely train or retain talented individuals we may face higher turnover and increased labor costs, which could compromise the quality of our service, and could adversely affect our business.

Future pandemics may have an adverse effect on our business, results of operations, financial condition and liquidity.

The COVID-19 pandemic, including the measures taken to mitigate its spread, had, and may continue to have, adverse effects on our business and operations. A resurgence of the COVID-19 pandemic, or a future pandemic or health epidemic, could adversely impact our business and results of operations in a number of ways. For example, the COVID-19 pandemic and measures taken to mitigate the spread of COVID-19, including restrictions on large gatherings, closures of face-to-face events and indoor dining facilities, "shelter in place" health orders and travel restrictions, had far-reaching direct and indirect impacts on many aspects of our operations, including temporary termination of certain in-store demonstration services and other services, as well as on consumer behavior and purchasing patterns. In particular, our marketing segment experienced a significant decline in revenues, primarily due to the temporary suspension or reduction of certain in-store demonstration services and decreased demand in our digital marketing

services, both of which we believe were caused by the COVID-19 pandemic and the various governmental and private responses to the pandemic. In our sales segment, we experienced significant shifts in consumer spending preferences and habits.

We cannot predict the full extent to which a resurgence of the COVID-19 pandemic, or any future pandemic or health epidemic, may have similar or other adverse effects on our business, financial condition, results of operations and liquidity, and the degree to which it may impact other risk factors described in this Annual Report.

Our business and results of operations are affected by developments with and policies of retailers that are out of our control.

A limited number of national retailers account for a large percentage of sales for our consumer goods manufacturer clients. We expect that a significant portion of these clients' sales will continue to be made through a relatively small number of retailers and that this percentage may increase if the growth of mass retailers and the trend of retailer consolidation continues. As a result, changes in the strategies of large retailers, including a reduction in the number of brands that these retailers carry or an increase in shelf space that they dedicate to private label products, could materially reduce the value of our services to these clients or these clients' use of our services and, in turn, our revenues and profitability. Many retailers have critically analyzed the number and variety of brands they sell, and have reduced or discontinued the sale of certain of our clients' product lines at their stores, and more retailers may continue to do so. If this continues to occur and these clients are unable to improve distribution for their products at other retailers, our business or results of operations could be adversely affected.

Additionally, many retailers, including several of the largest retailers in North America, which own and operate a significant number of the locations at which we provide our services, have implemented or may implement in the future, policies that designate certain service providers to be the exclusive provider or one of their preferred providers for specified services, including many of the services that we provide to such retailers or our clients.

Some of these designations apply across all of such retailers' stores, while other designations are limited to specific regions. If we are unable to respond effectively to the expectations and demands of such retailers or if retailers do not designate us as their exclusive provider or one of their preferred providers for any reason, they could reduce or restrict the services that we are permitted to perform for our clients at their facilities or require our clients to purchase services from other designated services providers, which include our competitors, either of which could adversely affect our business or results of operations.

Consolidation in the industries we serve could put pressure on the pricing of our services, which could adversely affect our business, financial condition or results of operations.

Consolidation in the consumer goods and retail industries we serve could reduce aggregate demand for our services in the future and could adversely affect our business or our results of operations. When companies consolidate, the services they previously purchased separately are often purchased by the combined entity, leading to the termination of relationships with certain service providers or demands for reduced fees and commissions. The combined company may also choose to insource certain functions that were historically outsourced, resulting in the termination of existing relationships with third-party service providers. While we attempt to mitigate the revenue impact of any consolidation by maintaining existing or winning new service arrangements with the combined companies, there can be no assurance as to the degree to which we will be able to do so as consolidation continues in the industries we serve, and our business, financial condition or results of operations may be adversely affected.

Consumer goods manufacturers and retailers may periodically review and change their sales, retail, marketing and technology programs and relationships to our detriment.

The consumer goods manufacturers and retailers to whom we provide our business solutions operate in highly competitive and rapidly changing environments. From time to time these parties may put their sales, retail, marketing and technology programs and relationships up for competitive review. We have occasionally lost accounts with significant clients as a result of these reviews in the past, and our clients are typically able to reduce or cancel current or future spending on our services on short notice for any reason. We believe that key competitive considerations for retaining existing and winning new accounts include our ability to develop solutions that meet the needs of these manufacturers and retailers in this environment, the quality and effectiveness of our services and our ability to operate efficiently. To the extent that we are not able to develop these solutions, maintain the quality and effectiveness of our services or operate efficiently, we may not be able to retain key clients, and our business, financial condition or results of operations may be adversely affected.

Our largest clients generate a significant portion of our revenues.

Our five largest clients generated approximately 18.8% of our revenues, none of which individually generated more than 5%, in the fiscal year ended December 31, 2023. These clients are generally able to reduce or cancel spending on our services on short notice

for any reason. A significant reduction in spending on our services by our largest clients, or the loss of one or more of our largest clients, if not replaced by new clients or an increase in business from existing clients, would adversely affect our business and results of operations. In addition, when large retailers suspend or reduce in-store demonstration services, such as in response to the COVID-19 pandemic, our business and results of operations can be adversely affected.

The retail industry is evolving, and if we do not successfully develop and maintain relevant omni-channel services for our clients, our business, financial condition or results of operations could be adversely impacted.

Historically, substantially all of our sales segment revenues were generated by sales and services that ultimately occurred in traditional retail stores. The retail industry is evolving, as demonstrated by the number of retailers that offer both traditional retail stores and e-commerce platforms or exclusively e-commerce platforms. In addition, the COVID-19 pandemic placed pressure on the traditional retail store model, including store closures, changes in consumer spending, health and safety risks and compliance requirements. Consumers are increasingly using electronic devices to comparison shop, determine product availability and complete purchases online, a trend that has accelerated during the COVID-19 pandemic, and which may continue thereafter. If consumers continue to purchase more products online and e-commerce continues to displace brick-and-mortar retail sales, there may be a decrease in the demand for certain of our services. Omni-channel retailing is rapidly evolving and we believe we will need to keep pace with the changing consumer expectations and new developments by our competitors.

While we continue to seek to develop effective omni-channel solutions for our clients that support both their e-commerce and traditional retail needs, there can be no assurances that these efforts will result in revenue gains sufficient to offset potential decreases associated with a decline in traditional retail sales or that we will be able to maintain our position as a leader in our industry. If we are unable to provide, improve or develop innovative digital services and solutions in a timely manner or at all, our business, financial condition or results of operations could be adversely impacted.

We may be unable to adapt to significant technological change, which could adversely affect our business, financial condition or results of operations.

We operate businesses that require sophisticated data collection, processing and software for analysis and insights. Some of the technologies supporting the industries we serve are changing rapidly. We will be required to continue to adapt to changing technologies, either by developing and marketing new services or by enhancing our existing services, to meet client demand.

Moreover, the introduction of new services embodying new technologies, including automation of certain of our in-store services, and the emergence of new industry standards could render existing services obsolete. Our continued success will depend on our ability to adapt to changing technologies, manage and process increasing amounts of data and information and improve the performance, features and reliability of our existing services in response to changing client and industry demands. We may experience difficulties that could delay or prevent the successful design, development, testing, introduction or marketing of our services. New services or enhancements to existing services may not adequately meet the requirements of current and prospective clients or achieve market acceptance.

Our ability to maintain our competitive position depends on our ability to attract and retain talented executives.

We believe that our continued success depends to a significant extent upon the efforts, abilities and relationships of our senior executives and the strength of our middle management team. Although we have entered into employment agreements with certain of our senior executives, each of them may terminate their employment with us at any time. The replacement of any of our senior executives likely would involve significant time and costs and may significantly delay or prevent the achievement of our business objectives and could therefore have an adverse impact on our business. In addition, we do not carry any "key person" insurance policies that could offset potential loss of service under applicable circumstances. Furthermore, if we are unable to attract and retain a talented team of middle management executives, it may be difficult to maintain the expertise and industry relationships that our clients value, and they may terminate or reduce their relationship with us.

Client procurement and fee reduction strategies could put additional operational and financial pressure on our services or negatively impact our relationships, business, financial condition or results of operations.

Many of our clients seek opportunities to reduce their costs through procurement strategies that reduce fees paid to third-party service providers. As a result, certain of our clients have sought, and may continue to seek, more aggressive terms from us, including with respect to pricing and payment terms. Such activities put operational and financial pressure on our business, which could limit the amounts we earn or delay the timing of our cash receipts. Such activities may also cause disputes with our clients or negatively impact our relationships or financial results. Our clients have experienced, and may continue to experience, increases in their expenses associated with materials and logistics, which may cause them to reduce expenses elsewhere. While we attempt to mitigate negative

implications to client relationships and the revenue impact of any pricing pressure by aligning our revenues opportunity with satisfactory client outcomes, there can be no assurance as to the degree to which we will be able to do so successfully. Additionally, price concessions can lead to margin compression, which in turn could adversely affect our business, financial condition or results of operations.

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

High-quality education, training and customer service are important for successful marketing and sales and for the renewal of existing customers and for the pursuit of new customers. Providing this education, training and service requires that our personnel who manage our online training resource or provide customer service have specific inbound experience domain knowledge and expertise, making it more difficult for us to hire qualified personnel and to scale up our support operations. If we do not help our customers use multiple applications and provide effective ongoing service, our ability to sell additional functionality and services to, or to retain, existing customers may suffer and our reputation with existing or potential customers may be harmed.

We may be adversely affected if clients reduce their outsourcing of sales and marketing functions.

Our business and growth strategies depend in large part on companies continuing to elect to outsource sales and marketing functions. Our clients and potential clients will outsource if they perceive that outsourcing may provide quality services at a lower overall cost and permit them to focus on their core business activities and have done so in the past. We cannot be certain that the industry trend to outsource will continue or not be reversed or that clients that have historically outsourced functions will not decide to perform these functions themselves. Unfavorable developments with respect to outsourcing could adversely affect our business, financial conditions and results of operations.

Divestitures or other dispositions could negatively impact our business, financial condition or results of operations.

We continually assess the strategic fit of our existing businesses and may divest, spin-off, split-off or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. For example, in January 2024, we completed the disposition of a collection of our foodservice businesses, most notably Waypoint, within the sales segment. Such transactions pose risks and challenges that could negatively impact our business and financial statements. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose a business the sale is typically subject to satisfaction of pre-closing conditions which may not become satisfied. During the year ended December 31, 2023, the Company recognized a non-cash intangible asset impairment charge of \$43.5 million related to the Company's indefinite-lived sales trade name, in connection with the Company's deconsolidation of its European joint venture and planned disposition of its foodservice businesses. In addition, divestitures or other dispositions could decrease our Adjusted EBITDA or have other adverse financial, tax and accounting impacts and distract management, and disputes can arise with buyers. The resolution of any such disputes could adversely affect for our business, financial condition or results of operations.

Divestitures or other dispositions could have significant accounting and tax implications that could negatively impact our business, financial condition or results of operations.

If we approve plans to divest or dispose a business unit, accounting rules require us to reclassify assets associated with such business unit, including the value of contracts, client relationships, goodwill, and other intangible assets, as assets held for sale. Assets held for sale are recorded at the lower of their carrying value or fair value, less estimated costs to sell, and any required impairment charge is recorded upon reclassification of the assets to held for sale. Allocating goodwill to assets held for sale requires us to make certain assumptions about a business unit, including the financial performance of such business unit against our company as a whole. There are inherent uncertainties related to these estimates and assumptions. If actual results differ from our estimates or assumptions, including our estimated costs to sell, additional charges may be required in the future. If future charges are significant, this could have a material adverse effect on our results of operations. We will assess each divestiture or other disposition from a tax perspective and such assessment will rely on certain facts, assumptions, representations and undertakings regarding the past and future conduct of our businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not satisfied, we could be subject to significant tax liabilities that minimize the benefits of such divestiture or other disposition.

Our corporate culture has contributed to our success and, if we are unable to maintain it as we evolve, our business, operating results and financial condition could be harmed.

We believe our corporate culture has been a significant factor in our success. However, as our company evolves, including through acquisitions, divestitures and the impacts of the COVID-19 pandemic, such as working remotely and reductions in workforce, it may be difficult to maintain our culture, which could reduce our ability to innovate and operate effectively. The failure to maintain

the key aspects of our culture as our organization evolves could result in decreased employee satisfaction, increased difficulty in attracting top talent, increased turnover and compromised the quality of our client service, all of which are important to our success and to the effective execution of our business strategy. If we are unable to maintain our corporate culture as we evolve and execute our growth strategies, our business, operating results and financial condition could be harmed.

Acquiring new clients and retaining existing clients depends on our ability to avoid or manage business conflicts among competing brands.

Our ability to acquire new clients and to retain existing clients, whether by expansion of our own operations or through an acquired business may in some cases be limited by the other parties' perceptions of, or policies concerning, perceived competitive conflicts arising from our other relationships. Some of our contracts expressly restrict our ability to represent competitors of the counterparty. These perceived competitive conflicts may also become more challenging to avoid or manage as a result of continued consolidation in the consumer goods and retail industries and our own acquisitions. If we are unable to avoid or manage business conflicts among competing manufacturers and retailers, we may be unable to acquire new clients or be forced to terminate existing client relationships, and in either case, our business and results of operations may be adversely affected.

Limitations, restrictions and business decisions involving our joint ventures and minority investments may adversely affect our growth and results of operations.

We have made substantial investments in joint ventures and minority investments and may use these and other similar methods to expand our service offerings and geographical coverage in the future. These arrangements typically involve other business services companies as partners that may be competitors of ours in certain markets. Joint venture agreements may place limitations or restrictions on our services. For example, as part of our joint venture with, and investments in Smullan, we are restricted under certain circumstances from making direct acquisitions and otherwise expanding many of our service offerings into markets outside of North America. The limitations and restrictions tied to our joint venture and minority investments limit our potential business opportunities and reduce the economic opportunity for certain prospective international investments and operations.

Additionally, we may rely upon our equity partners or local management for operational and compliance matters associated with our joint ventures or minority investments. Moreover, our other equity partners and minority investments may have business interests, strategies or goals that are inconsistent with ours. Business decisions, including actions or omissions, of a joint venture or other equity partner or management for a business unit may adversely affect the value of our investment, result in litigation or regulatory action against us or adversely affect our growth and results of operations.

Our international operations and investments expose us to risks that could impede growth in the future, and our attempts to grow our business internationally may not be successful.

We continue to explore opportunities in major international markets. International operations expose us to various additional risks that could adversely affect our business, including:

- costs of customizing services for clients outside of the United States;
- the burdens of complying with a wide variety of foreign laws;
- potential difficulty in enforcing contracts;
- being subject to U.S. laws and regulations governing international operations, including the U.S. Foreign Corrupt Practices Act and sanctions regimes;
- being subject to foreign anti-bribery laws in the jurisdictions in which we operate, such as the UK Bribery Act;
- reduced protection for intellectual property rights;
- increased financial accounting and reporting complexity;
- additional legal compliance requirements, including custom and import requirements with respect to products imported to and exported across international borders;
- exposure to foreign currency exchange rate fluctuations;
- exposure to local economic conditions;
- limitations on the repatriation of funds or profits from foreign operations;
- exposure to local political conditions, including adverse tax policies, civil unrest and war; and

- the risks of a natural disaster, public health crisis (including the occurrence of a contagious disease or illness, such as the coronavirus), an outbreak of war, the escalation of hostilities and acts of terrorism in the jurisdictions in which we operate.

Additionally, in many countries outside of the United States, there has not been a historical practice of using third parties to provide sales and marketing services. Accordingly, while it is part of our strategy to expand certain services into international markets, it may be difficult for us to grow our international business units on a timely basis, or at all.

If we are unable to identify attractive acquisition targets, acquire them at attractive prices or successfully integrate the acquired businesses, we may be unsuccessful in growing our business.

A significant portion of our growth has been as a result of our acquisition of complementary businesses that grow our service offerings, expand our geographic reach and strengthen valuable relationships with clients. However, there can be no assurance that we will find attractive acquisition targets, that we will acquire them at attractive prices, that we will succeed at effectively managing the integration of acquired businesses into our existing operations or that such acquired businesses or technologies will be well received by our clients, potential clients or our investors. We could also encounter higher-than-expected earn-out payments, unforeseen transaction- and integration-related costs or delays or other circumstances such as disputes with or the loss of key or other personnel from acquired businesses, challenges or delays in integrating systems or technology of acquired businesses, a deterioration in our associate and client relationships, harm to our reputation with clients, interruptions in our business activities or unforeseen or higher-than-expected inherited liabilities. Many of these potential circumstances are outside of our control and any of them could result in increased costs, decreased revenue, decreased synergies or the diversion of management time and attention.

In order for us to continue to grow our business through acquisitions we will need to identify appropriate acquisition opportunities and acquire them at attractive prices. We may choose to pay cash, incur debt or issue equity securities to pay for any such acquisition. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations. The sale of equity to finance any such acquisition could result in dilution to our stockholders.

We may encounter significant difficulties integrating acquired businesses.

The integration of any businesses is a complex, costly and time-consuming process. As a result, we have devoted, and will continue to devote, significant management attention and resources to integrating acquired businesses. The failure to meet the challenges involved in integrating businesses and to realize the anticipated benefits of any acquisition could cause an interruption of, or a loss of momentum in, the activities of our combined business and could adversely affect our results of operations. The difficulties of combining acquired businesses with our own include, among others:

- the diversion of management attention to integration matters;
- difficulties in integrating functional roles, processes and systems, including accounting systems;
- challenges in conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;
- difficulties in assimilating, attracting and retaining key personnel;
- challenges in keeping existing clients and obtaining new clients;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from an acquisition;
- difficulties in managing the expanded operations of a significantly larger and more complex business;
- contingent liabilities, including contingent tax liabilities or litigation, that may be larger than expected; and
- potential unknown liabilities, adverse consequences or unforeseen increased expenses associated with an acquisition, including possible adverse tax consequences to the combined business pursuant to changes in applicable tax laws or regulations.

Many of these factors are outside of our control, and any one of them could result in increased costs, decreased expected revenues and diversion of management time and energy, all of which could adversely impact our business and results of operations.

If we are not able to successfully integrate an acquisition, if we incur significantly greater costs to achieve the expected synergies than we anticipate or if activities related to the expected synergies have unintended consequences, our business, financial condition or results of operations could be adversely affected.

Complications with the design or implementation of our new enterprise resource planning system could adversely impact our business and operations.

We rely extensively on information systems and technology to manage our business and summarize operating results. We are in the process of a multi-year implementation of a new enterprise resource planning ("ERP") system, which is expected to replace our existing operating and financial systems. The ERP system implementation process has required, and will continue to require, the investment of significant personnel and financial resources. We may not be able to successfully implement the ERP system without experiencing delays, increased costs and other difficulties. If we are unable to successfully design and implement the new ERP system as planned, our financial positions, results of operations and cash flows could be negatively impacted. Additionally, if we do not effectively implement the ERP system as planned or the ERP system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess those controls adequately could be further delayed.

We may be subject to unionization, work stoppages, slowdowns or increased labor costs.

Currently, none of our associates in the United States are represented by a union. However, our associates have the right under the National Labor Relations Act to choose union representation. If all or a significant number of our associates become unionized and the terms of any collective bargaining agreement were significantly different from our current compensation arrangements, it could increase our costs and adversely impact our profitability. Moreover, if a significant number of our associates participate in labor unions, it could put us at increased risk of labor strikes and disruption of our operations or adversely affect our growth and results of operations. In December 2019, a union which commonly represents employees in the supermarket industry filed a petition with the National Labor Relations Board to represent approximately 120 of our associates who work in and around Boston. An election was held, and based on certified results of the election we prevailed in this election. Notwithstanding this successful election, we could face future union organization efforts or elections, which could lead to additional costs, distract management or otherwise harm our business.

If goodwill or other intangible assets in connection with our acquisitions become impaired, we could take significant non-cash charges against earnings.

We have made acquisitions to complement and expand the services we offer and intend to continue to do so when attractive acquisition opportunities exist in the market. As a result of prior acquisitions, including the acquisition of our business in 2014 by our current majority stockholder, Karman Topco L.P. ("Topco"), we have goodwill and intangible assets recorded on our balance sheet of \$0.9 billion and \$1.6 billion, respectively, as of December 31, 2023, as further described in Note 3, *Goodwill and Intangible Assets* to our consolidated financial statements for the year ended December 31, 2023.

Under accounting guidelines, we must assess, at least annually, whether the value of goodwill and other indefinite-lived intangible assets has been impaired. For example, during the year ended December 31, 2023, we recognized a non-cash intangible asset impairment charge of \$43.5 million related to our indefinite-lived sales trade name, in connection with our deconsolidation of the European joint venture and planned disposition of the foodservice businesses. Additionally, during the year ended December 31, 2022, and in connection with our annual impairment assessment of goodwill and indefinite-lived intangible assets, we recognized non-cash goodwill and non-cash intangible asset impairment charges of \$1,367.5 million and \$205.0 million, respectively, in our reporting units and indefinite-lived trade names. While there was no single determinative event or factor, the consideration of the weight of evidence of several factors included: (a) sustained decline in our share price; (b) challenges in the labor market and continued inflationary pressures; and (c) an increase to the discount rate as a result of the recent increases in the interest rates which adversely affected the results of the quantitative impairment tests.

We can make no assurances that we will not record any additional impairment charges in the future. Any future reduction or impairment of the value of goodwill or other intangible assets will similarly result in charges against earnings, which could adversely affect our reported financial results in future periods.

Failures in, data breaches of, or incidents involving, our technology infrastructure could damage our business, reputation and brand and substantially harm our business and results of operations.

Our business is highly dependent on our ability to manage operations and process a large number of transactions on a daily basis. We rely heavily on our operating, payroll, financial, accounting and other data processing systems which require substantial support and maintenance, and may be subject to disabilities, errors, or other harms. If our data and network infrastructure were to fail,

or if we were to suffer a data security breach, or an interruption or degradation of services in our data center, third-party cloud, and other infrastructure environments, we could lose important data, which could harm our business and reputation, and cause us to incur significant liabilities. Our facilities, as well as the facilities of third-parties that provide or maintain, or have access to our data or network infrastructure, are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures and similar events. In the event that our or any third-party provider's systems or service abilities are hindered by any of the events discussed above, our ability to operate may be impaired. Our information technology systems, and the information technology systems of our current or future third-party vendors, collaborators, consultants and service providers, could be penetrated by internal or external parties intent on extracting information, corrupting information, stealing intellectual property or trade secrets, or disrupting business processes. A third party's decision to close facilities or terminate services without adequate notice, or other unanticipated problems, could adversely impact our operations. Any of the aforementioned risks may be augmented if our or any third-party provider's business continuity and disaster recovery plans prove to be inadequate in preventing the loss of data, service interruptions, disruptions to our operations or damages to important systems or facilities. Our data center, third-party cloud, and managed service provider infrastructure also could be subject to break-ins, cyber-attacks (including through the use of malware, software bugs, computer viruses, ransomware, social engineering, and denial of service), sabotage, intentional acts of vandalism and other misconduct, from a spectrum of actors ranging in sophistication from threats common to most industries to more advanced and persistent, highly organized adversaries. Any security breach or incident, including personal data breaches, that we experience could result in unauthorized access to, or misuse, modification, destruction or unauthorized acquisition of, our internal sensitive corporate data, such as personal data, financial data, trade secrets, intellectual property, or other competitively sensitive or confidential data. Such unauthorized access, misuse, acquisition, or modification of sensitive data may result in data loss, corruption or alteration, interruptions in our operations or damage to our computer hardware or systems or those of our employees or customers. Our systems have been the target of cyber-attacks. Although we have taken and continue to take steps to enhance our cybersecurity posture, we cannot assure that future cyber incidents will not occur or that our systems will not be targeted or breached in the future. Any such breach or unauthorized access could result in a disruption of the Company's operations, the theft, unauthorized use or publication of the Company's intellectual property, other proprietary information or the personal information of customers, employees, licensees or suppliers, a reduction of the revenues the Company is able to generate from its operations, damage to the Company's brand and reputation, a loss of confidence in the security of the Company's business and products, and significant legal and financial exposure. If any such incident results in litigation, we may be required to make significant expenditures in the course of such litigation and may be required to pay significant amounts in damages. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our service. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information. Significant unavailability of our services due to attacks could cause us to incur significant liability, could cause users to cease using our services and materially and adversely affect our business, prospects, financial condition and results of operations.

We use complex software in our technology infrastructure, which we seek to continually update and improve. Replacing such systems is often time-consuming and expensive and can also be intrusive to daily business operations. Further, we may not always be successful in executing these upgrades and improvements, which may result in a failure of our systems. We may experience periodic system interruptions from time to time. Any slowdown or failure of our underlying technology infrastructure could harm our business and reputation, which could materially adversely affect our results of operations. Our disaster recovery plan or those of our third-party providers may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur.

Failure to comply with federal, state and foreign laws and regulations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, could adversely affect our business and our financial condition.

A variety of federal, state and foreign laws and regulations govern the collection, use, retention, sharing and security of personal information. The information, security and privacy requirements imposed by such governmental laws and regulations relating to privacy, data protection and consumer protection are increasingly demanding, quickly evolving and may be subject to differing interpretations. These requirements may not be harmonized, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another or may conflict with other rules or our practices. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations. Our actual or perceived failure to comply with such laws and regulations could result in fines, investigations, enforcement actions, penalties, sanctions, claims for damages by affected individuals, and damage to our reputation, among other negative consequences, any of which could have a material adverse effect on its financial performance.

We are subject to the California Consumer Protection Act of 2018, which became effective in 2020, as well as its amendment, the California Privacy Rights Act of 2020 ("CPRA," and together, the "CCPA"), which went into effect on January 1, 2023. The CCPA regulates the collection, use and processing of personal information relating to California residents, and which grants certain

privacy rights to California residents, including rights to request access to and to request deletion of personal information relating to such individuals under certain circumstances. Compliance with the new obligations imposed by the CCPA depends in part on how its requirements are interpreted and applied by the California attorney general, courts, and the new California Privacy Protection Agency. Alleged violations of the CCPA may result in substantial civil penalties or statutory damages when applied at scale, up to \$2,500 per violation or \$7,500 per intentional violation of any CCPA requirement, which may be applied on a per-person or per-record basis. The CCPA also establishes a private right of action if certain personal information of individuals is subject to an unauthorized access and exfiltration, theft, or disclosure as a result of a business's violation of the duty to implement and maintain reasonable security procedures and practices, which authorizes statutory damages \$100 to \$750 per person per incident even if there is no actual harm or damage to plaintiffs. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Further, the CPRA includes additional and strengthened privacy rights for California residents, new requirements regarding sensitive data and data sharing for digital advertising, and tripled damages for violations involving children's data.

The selling and sharing of personal information by businesses for digital advertising and marketing purposes remains a priority of regulators, including the Federal Trade Commission and California Attorney General. In August 2022, the California Attorney General announced its first enforcement action under the CCPA against a retailer that to pay penalties and comply with injunctive terms, including overhauling its online disclosures and opt-out rights and providing regular reports to the California Attorney General regarding its data sharing practices. On January 27, 2023, the California Attorney General announced another CCPA enforcement sweep targeted at businesses with mobile apps, including popular apps in the retail, travel, and foodservice industries.

Four other states –Virginia, Colorado, Connecticut, and Utah – passed their own comprehensive privacy laws that went into effect throughout 2023. Seven states (Texas, Tennessee, Oregon, Montana, Iowa, Indiana, Delaware) passed their own comprehensive privacy laws in 2023 which will go into effect throughout 2024-2026. Like the CCPA, these laws regulate the collection, use and processing of personal information relating to residents of the respective states, and grants certain privacy rights to those residents. Other states are expected to consider and potentially pass similar privacy laws in 2024 and future years.

We are also subject to international privacy laws and regulations, many of which, such as the General Data Privacy Regulation ("GDPR") and national laws implementing or supplementing the GDPR, such as the United Kingdom Data Protection Law 2018 (which retains key features of GDPR post-Brexit), are significantly more stringent than those currently enforced in the United States. The GDPR requires companies to meet requirements regarding the handling of personal data of individuals located in the European Economic Area (the "EEA"). The GDPR imposes mandatory data breach notification requirements subject to a 72-hour notification deadline. The GDPR also includes significant penalties for noncompliance, which may result in monetary penalties of up to the higher of €20.0 million or 4% of a group's worldwide turnover for the preceding financial year for the most serious violations. The GDPR and other similar regulations require companies to give specific types of notice and informed consent is required for the placement of a cookie or similar technologies on a user's device for online tracking for behavioral advertising and other purposes and for direct electronic marketing, and the GDPR also imposes additional conditions in order to satisfy such consent, such as a prohibition on pre-checked tick boxes and bundled consents. Enforcement of the GDPR and related regulations varies by each EU Member State and is ongoing. Further laws and regulations on these topics are forthcoming, including the Regulation on Privacy and Electronic Communications ("ePrivacy Regulation"), Digital Services Act ("DSA"), and Digital Markets Act ("DMA"). The GDPR may increase our responsibility and liability in relation to personal data that we process where that processing is subject to the GDPR. In addition, we may be required to put in place additional mechanisms to ensure compliance with the GDPR, including GDPR requirements as implemented by individual countries. Compliance with the GDPR will be a rigorous and time-intensive process that may increase our cost of doing business or require us to change our business practices.

In addition, under GDPR, transfers of personal data are prohibited to countries outside of the EEA that have not been determined by the European Commission to provide adequate protections for personal data, including the United States. There are mechanisms to permit the transfer of personal data from the EEA to the United States, but there is also uncertainty as to the future of such mechanisms, which have been under consistent scrutiny and challenge. In July 2020, a decision of the Court of Justice of the European Union invalidated the EU-U.S. Privacy Shield Framework, a means that previously permitted transfers of personal data from the EEA to companies in the United States that certified adherence to the Privacy Shield Framework. In July 2023, the European Union and the United States agreed to replace the Privacy Shield Framework by implementing the E.U.-U.S. Data Privacy Framework. Standard contractual clauses approved by the European Commission to permit transfers from the EU to third countries currently remain as a basis on which to transfer personal data from the EEA to other countries. However, the standard contractual clauses are also subject to legal challenge, and in November 2020, the European Commission published a draft of updated standard contractual clauses. In January 2022, for example, Austria's data protection authority determined that the use of Google Analytics violated the GDPR and the Court of Justice of the European Union's "Schrems II" decision on international data transfers. We presently rely on standard contractual clauses to transfer personal data from EEA member countries, and we may be impacted by changes in law as a result of future review or invalidation of, or changes to, this mechanism by European courts or regulators. While we will continue to undertake efforts to conform to current regulatory obligations and evolving best practices, we may be unsuccessful in conforming to permitted means of transferring personal data from the European Economic Area. We may also experience hesitancy.

reluctance, or refusal by European or multi-national customers to continue to use some of our services due to the potential risk exposure of personal data transfers and the current data protection obligations imposed on them by certain data protection authorities. Such customers may also view any alternative approaches to the transfer of any personal data as being too costly, too burdensome, or otherwise objectionable, and therefore may decide not to do business with us if the transfer of personal data is a necessary requirement.

Data protection requirements in China continued to change in 2023 and are expected to change further in 2024. In 2023 new cross-border data transfer requirements came into force in China, and draft requirements for audit requirements for transborder data flows have been released, were not final at the end of 2023.

Although we take reasonable efforts to comply with all applicable laws and regulations and have invested and continue to invest human and technology resources into data privacy compliance efforts, there can be no assurance that we will not be subject to regulatory action, including fines, in the event of an incident or other claim. Data protection laws and requirements may also be enacted, interpreted or applied in a manner that creates inconsistent or contradictory requirements on companies that operate across jurisdictions. We or our third-party service providers could be adversely affected if legislation or regulations are expanded to require changes in our or our third-party service providers' business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our or our third-party service providers' business, results of operations or financial condition. For example, we may find it necessary to establish alternative systems to maintain personal data in the EEA, which may involve substantial expense and may cause us to divert resources from other aspects of our business, all of which may adversely affect our results from operations. Further, any inability to adequately address privacy concerns in connection with our solutions, or comply with applicable privacy or data protection laws, regulations and policies, could result in additional cost and liability to us, and adversely affect our ability to offer our solutions. GDPR, CCPA and other similar laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with, result in negative publicity, increase our operating costs, require significant management time and attention and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices. Our systems may not be able to satisfy these changing requirements and manufacturer, retailer and associate expectations, or may require significant additional investments or time in order to do so.

We expect that new industry standards, laws and regulations will continue to be proposed regarding privacy, data protection and information security in many jurisdictions, including the European e-Privacy Regulation, which is currently in draft form, as well as at the U.S. federal and state levels. In addition, new data processes and datasets associated with emerging technologies are coming under increased regulatory scrutiny, such as biometrics and automated decision-making. We cannot yet determine the impact such future laws, regulations and standards may have on our business. Complying with these evolving obligations is challenging, time consuming and expensive, and federal regulators, state attorneys general and plaintiff's attorneys have been, and will likely continue to be, active in this space. Expanding definitions and interpretations of what constitutes "personal data" (or the equivalent) within the United States, the EEA and elsewhere may increase our compliance costs and legal liability. For example, various state privacy proposals have included a private right of action for basic privacy violations which, if passed, would dramatically increase both the legal costs of defending frivolous lawsuits and the penalties and costs associated with alleged violations.

Civil litigation, including class actions, remains another source of potential liability under privacy laws. For example, cases filed under Illinois' Biometric Information Privacy Act have resulted in large settlement amounts and damages awards against other companies due to the presence of statutory damages under that law. As another example, website owners and operators saw a wave of putative class actions filed against them in 2022 under the California Invasion of Privacy Act and similar federal and state surveillance and wiretapping laws, with claims centering on websites' deployment of session monitoring, keylogging, chatbots, and other tracking and monitoring technologies. The inconsistency among court rulings regarding these legal claims renders the likelihood and dollar amount of potential liability and/or settlement value difficult to accurately quantify.

A data breach or any failure, or perceived failure, by us to comply with any federal, state or foreign privacy or consumer protection-related laws, regulations or other principles or orders to which we may be subject or other legal obligations relating to privacy or consumer protection could adversely affect our reputation, brand and business, and may result in fines, enforcement actions, sanctions, claims (including claims for damages by affected individuals), investigations, proceedings or actions against us by governmental entities or others, or other penalties or liabilities or require us to change our operations and/or cease using certain data sets, among other negative consequences, any of which could have a material adverse effect on our business. Moreover, the proliferation of supply chain-based cyber-attacks and vendor security incidents increases these potential risks and costs even in cases where the attack did not target us, occur on our systems, or result from any action or inaction by us. Depending on the nature of the information compromised, we may also have obligations to notify users, law enforcement, regulators, business partners or payment companies about the incident and provide some form of remedy, such as refunds or identity theft monitoring services, for the individuals affected by the incident.

The Take 5 Matter may lead to additional harms, risks and uncertainties for us, including litigation and governmental investigations, a reduction in revenue, a potential deterioration in our relationships or reputation and a loss in investor confidence.

As further described elsewhere in this Annual Report, we acquired the business of Take 5 Media Group in April 2018, and a result of an investigation into that business, we terminated all operations of the Take 5, including the use of its associated trade names and the offering of its services to its clients and offered refunds to clients of collected revenues attributable to the period after our acquisition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Take 5 Matter" and "Legal Proceedings."

As a result of these matters, we may be subject to a number of additional harms, risks and uncertainties, including substantial costs for legal fees in connection with or related to the potential lawsuits by clients or other interested parties who claim to have been harmed by the misconduct at Take 5, other costs and fees related to the Take 5 Matter (in excess of the amounts already being offered as refunds), potential governmental investigations arising from the Take 5 Matter. In addition, if we do not prevail in any such litigation related to these matters, we could be subject to costs related to such litigation, including equitable relief, civil monetary damages, treble damages, or repayment, which may not be covered by insurance or may materially increase our insurance costs. We have incurred and will continue to incur additional costs regardless of the outcome of any such litigation or governmental investigation. In addition, there can be no assurance to what degree, if any, we will be able to recover any such costs or damages from the former owners of Take 5 or whether such former owners of Take 5 engaged in further unknown improper activities that may subject us to further costs or damages, including potential reputational harm. Likewise, such events have caused and may cause further diversion of our management's time and attention. Any adverse outcome related to these matters cannot be predicted at this time, and may materially harm our business, reputation, financial condition and/or results of operations, or the trading price of our securities.

Our business is seasonal in nature and quarterly operating results can fluctuate.

Our services are seasonal in nature, with the fourth fiscal quarter typically generating a higher proportion of our revenues than other fiscal quarters. Adverse events, such as deteriorating economic conditions, higher unemployment, higher gas prices, public transportation disruptions, public health crises (including the COVID-19 pandemic) or unanticipated adverse weather, could result in lower-than-planned sales during key revenue-producing seasons. For example, frequent or unusually heavy snowfall, ice storms, rainstorms, windstorms or other extreme weather conditions over a prolonged period could make it difficult for consumers to travel to retail stores or foodservice locations. Such events could lead to lower revenues, negatively impacting our financial condition and results of operations.

Our business is competitive, and increased competition could adversely affect our business and results of operations.

The sales, marketing and merchandising services industry is competitive. We face competition from a few other large, national or super-regional agencies as well as many niche and regional agencies. Remaining competitive in this industry requires that we closely monitor and respond to trends in all industry sectors. We cannot assure you that we will be able to anticipate and respond successfully to such trends in a timely manner. Moreover, some of our competitors may choose to sell services competitive to ours at lower prices by accepting lower margins and profitability or may be able to sell services competitive to ours at lower prices due to proprietary ownership of data or technical superiority, which could negatively impact the rates that we can charge. If we are unable to compete successfully, it could have a material adverse effect on our business, financial condition and our results of operations. If certain competitors were to combine into integrated sales, marketing and merchandising services companies, additional sales, marketing and merchandising service companies were to enter the market or existing participants in this industry were to become more competitive, including through technological innovation such as social media and crowdsourcing, it could have a material adverse effect on our business, financial condition or results of operations.

Our business is subject to risks associated with climate change.

The effects of climate change, and a resulting shift to a lower carbon economy, could present several climate-related risks for our business. Physical risks from climate change could result in both chronic and acute perils including, but not limited to, extreme weather, changes in precipitation and temperature, and rising sea levels, all of which may result in a decrease in demand for our services from or our ability to provide services to our clients, many of whom are in the retail industry, located in the areas affected by these conditions. Should the impact of climate change be severe or occur for lengthy periods of time, climate change could further adversely impact business continuity for ourselves and our clients, which, in turn, could similarly adversely affect our financial condition or results of operations.

Failure to meet environmental, social and governance ("ESG") expectations or standards could adversely affect our business, results of operations, financial condition, or stock price.

In recent years, there has been an increased focus from stakeholders, regulators and the public in general on ESG matters, including greenhouse gas emissions and climate-related risks, renewable energy, water stewardship, waste management, diversity, equality and inclusion, responsible sourcing and supply chain, human rights, and social responsibility, including changes in laws and regulations related to compliance and disclosure obligations related thereto. We actively seek to address this focus and comply with the evolving laws and regulations related thereto. However, compliance with such laws and regulations may result in increased operating costs for us. In addition, if we are unable to comply with laws and regulations or implement effective ESG strategies, our reputation among our clients and investors may be damaged and we may incur fines and/or penalties. Moreover, there can be no assurance that any of our ESG strategies will result in improved results.

Damage to our reputation could negatively impact our business, financial condition and results of operations.

Our reputation and the quality of our brand are critical to our business and success in existing markets and will be critical to our success as we enter new markets. We believe that we have built our reputation on the high quality of our sales and marketing services, our commitment to our clients and our performance-based culture, and we must protect and grow the value of our brand in order for us to continue to be successful. Any incident that erodes client loyalty to our brand could significantly reduce its value and damage our business. Also, there has been a marked increase in the use of social media platforms and similar devices, including blogs, social media websites, and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. Many social media platforms immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. Information concerning us may be posted on such platforms at any time. Information posted may be adverse to our interests or may be inaccurate, each of which may harm our performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction.

We rely on third parties to provide certain data and services in connection with the provision of our services.

We rely on third parties to provide certain data and services for use in connection with the provision of our services. For example, we contract with third parties to obtain the raw data on retail product sales and inventories. These suppliers of data may impose restrictions on our use of such data, fail to adhere to our quality control standards, increase the price they charge us for this data or refuse altogether to license the data to us. If we are unable to use such third-party data and services or if we are unable to contract with third parties, when necessary, our business, financial condition or our results of operations could be adversely affected. In the event that such data and services are unavailable for our use or the cost of acquiring such data and services increases, our business could be adversely affected.

We may be unable to timely and effectively respond to changes in digital practices and policies, which could adversely affect our business, financial condition or results of operations.

Changes to practices and policies of operating systems, websites and other digital platforms, including, without limitation, Apple's or Android's transparency policies, may reduce the quantity and quality of the data and metrics that can be collected or used by us and our clients or reduce the value of our digital services. These limitations may adversely affect both our and our clients' ability to effectively target and measure the performance of our digital services. In addition, our clients and third-party vendors routinely evaluate their digital practices and policies, and if in the future they determine to modify such practices and policies for any reasons, including, without limitation, privacy, targeting, age or content concerns, this could decrease the desire for our digital services as compared to other alternatives. If we are unable to timely or effectively respond to changes in digital practices and policies, or if our clients do not believe that our digital services will generate a competitive return on investment relative to alternatives, then our business, financial condition or results of operations could be adversely affected.

We may not be able to adequately protect our intellectual property, which, in turn, could harm the value of our brands and adversely affect our business.

Our ability to implement our business plan successfully depends in part on our ability to further build brand recognition using our trade names, service marks, trademarks, proprietary products and other intellectual property, including our name and logos. We rely on U.S. and foreign trademark, copyright and trade secret laws, as well as license agreements, nondisclosure agreements and confidentiality and other contractual provisions to protect our intellectual property. Nevertheless, these laws and procedures may not be adequate to prevent unauthorized parties from attempting to copy or otherwise obtain our processes and technology or deter our competitors from developing similar business solutions and concepts, and adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and other intellectual property.

The success of our business depends on our continued ability to use our existing trademarks and service marks to increase brand awareness and further develop our brand in both domestic and international markets. We have registered and applied to register our trade names, service marks and trademarks in the United States and foreign jurisdictions. However, the steps we have taken to protect

our intellectual property in the United States and in foreign countries may not be adequate, and third parties may misappropriate, dilute, infringe upon or otherwise harm the value of our intellectual property. If any of our registered or unregistered trademarks, trade names or service marks is challenged, infringed, circumvented or declared generic or determined to be infringing on other marks, it could have an adverse effect on our sales or market position. In addition, the laws of some foreign countries do not protect intellectual property to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain jurisdictions. This could make it difficult to stop the infringement or misappropriation of our intellectual property rights in foreign jurisdictions.

We rely upon trade secrets and other confidential and proprietary know-how to develop and maintain our competitive position. While it is our policy to enter into agreements imposing nondisclosure and confidentiality obligations upon our employees and third parties to protect our intellectual property, these obligations may be breached, may not provide meaningful protection for our trade secrets or proprietary know-how, or adequate remedies may not be available in the event of an unauthorized access, use or disclosure of our trade secrets and know-how. Furthermore, despite the existence of such nondisclosure and confidentiality agreements, or other contractual restrictions, we may not be able to prevent the unauthorized disclosure or use of our confidential proprietary information or trade secrets by consultants, vendors and employees. In addition, others could obtain knowledge of our trade secrets through independent development or other legal means.

Any claims or litigation initiated by us to protect our proprietary technology could be time consuming, costly and divert the attention of our technical and management resources. If we choose to go to court to stop a third party from infringing our intellectual property, that third party may ask the court to rule that our intellectual property rights are invalid and/or should not be enforced against that third party. Even if the action that we take to protect our intellectual property rights is successful, any infringement may still have a material adverse effect on our business, financial condition and results of operations.

We may be subject to claims of infringement of third-party intellectual property rights that are costly to defend, result in the diversion of management's time and efforts, require the payment of damages, limit our ability to use particular technologies in the future or prevent us from marketing our existing or future products and services.

Third parties may assert that we infringe, misappropriate or otherwise violate their intellectual property, including with respect to our digital solutions and other technologies that are important to our business, and may sue us for intellectual property infringement. We may not be aware of whether our products or services do or will infringe existing or future intellectual property rights of others. In addition, there can be no assurance that one or more of our competitors who have developed competing technologies or our other competitors will not be granted intellectual property rights for their technology and allege that we have infringed on such rights.

Any claims that our business infringes the intellectual property rights of others, regardless of the merit or resolution of such claims, could incur substantial costs, and the time and attention of our management and other personnel may be diverted in pursuing these proceedings. An adverse determination in any intellectual property claim could require us to pay damages, be subject to an injunction, and/or stop using our technologies, trademarks, copyrighted works and other material found to be in violation of another party's rights, and could prevent us from licensing our technologies to others unless we enter into royalty or licensing arrangements with the prevailing party or are able to redesign our products and services to avoid infringement. With respect to any third-party intellectual property that we use or wish to use in our business (whether or not asserted against us in litigation), we may not be able to enter into licensing or other arrangements with the owner of such intellectual property at a reasonable cost or on reasonable terms. Any of the foregoing could harm our commercial success.

We are dependent on proprietary technology licensed from others. If we lose our licenses, we may not be able to continue developing our products.

We have obtained licenses that give us rights to third party intellectual property that is necessary or useful to our business. These license agreements may impose various royalty and other obligations on us. One or more of our licensors may allege that we have breached our license agreement with them, and could seek to terminate our license, which could adversely affect our competitive business position and harm our business prospects. In addition, any claims brought against us by our licensors could be costly, time-consuming and divert the attention of our management and key personnel from our business operations.

Consumer goods manufacturers and retailers, including some of our clients, are subject to extensive governmental regulation and we and they may be subject to enforcement in the event of noncompliance with applicable requirements.

Consumer goods manufacturers and retailers are subject to a broad range of federal, state, local and international laws and regulations governing, among other things, the research, development, manufacture, distribution, marketing and post-market reporting of consumer products. These include laws administered by the U.S. Food and Drug Administration (the "FDA"), the U.S. Drug Enforcement Administration, the U.S. Federal Trade Commission, the U.S. Department of Agriculture and other federal, state, local

and international regulatory authorities. For example, certain of our clients market and sell products containing cannabidiol ("CBD"). CBD products are subject to a number of federal, state, local and international laws and regulations restricting their use in certain categories of products and in certain jurisdictions. In particular, the FDA has publicly stated it is prohibited to sell into interstate commerce food, beverages or dietary supplements that contain CBD. These laws are broad in scope and subject to evolving interpretations, which could require us to incur costs associated with new or modified compliance requirements or require us or our clients to alter or limit our activities, including marketing and promotion, of such products, or to remove them from the market altogether.

If a regulatory authority determines that we or our current or future clients have not complied with the applicable regulatory requirements, our business may be materially impacted, and we or our clients could be subject to enforcement actions or loss of business. We cannot predict the nature of any future laws, regulations, interpretations or applications of the laws, nor can we determine what effect additional laws, regulations or administrative policies and procedures, if and when enacted, promulgated and implemented, could have on our business.

We may be subject to claims for products for which we are the vendor of record or may otherwise be in the chain of title.

For certain of our clients' products, we become the vendor of record or otherwise may be in the chain of title. For these products, we could be subject to potential claims for misbranded, adulterated, contaminated, damaged or spoiled products, or could be subject to liability in connection with claims related to infringement of intellectual property, product liability, product recalls or other liabilities arising in connection with the sale or marketing of these products. As a result, we could be subject to claims or lawsuits (including potential class action lawsuits), and we could incur liabilities that are not insured or exceed our insurance coverage or for which the manufacturer of the product does not indemnify us. Even if product claims against us are not successful or fully pursued, these claims could be costly and time consuming and may require our management to spend time defending the claims rather than operating our business.

A product that has been actually or allegedly misbranded, adulterated or damaged or is actually or allegedly defective could result in product withdrawals or recalls, destruction of product inventory, negative publicity and substantial costs of compliance or remediation. Any of these events, including a significant product liability judgment against us, could result in monetary damages and/or a loss of demand for our products, both of which could have an adverse effect on our business or results of operations.

We generate revenues and incur expenses throughout the world that are subject to exchange rate fluctuations, and our results of operations may suffer due to currency translations.

Our U.S. operations earn revenues and incur expenses primarily in U.S. dollars, while our international operations earn revenues and incur expenses in the local currency, including Canadian dollars, Mexican pesos or euros. Because of currency exchange rate fluctuations, including possible devaluations, we are subject to currency translation exposure on the results of our operations, in addition to economic exposure. These risks could adversely impact our business or results of operations.

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

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

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

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

Risks Related to Ownership of Our Common Stock

We are controlled by Topco, the Advantage Sponsors, and the CP Sponsor, whose economic and other interests in our business may be different from yours.

Our authorized capital stock consists of 3,290,000,000 shares of common stock and 10,000,000 shares of preferred stock. As of February 29, 2024, the equity holders of Topco that participated in the PIPE Investment (as defined below) (collectively, the "Advantage Sponsors", Topco and Conyers Park II Sponsor LLC, an affiliate of Centerview Capital Management, LLC and Conyers Park's sponsor (the "CP Sponsor") collectively own 232,361,313 shares, or 72.5% (including 58.3% held by Topco), of our outstanding common stock. Subject to applicable law, the Advantage Sponsors, through their direct ownership of our common stock and their ownership of equity interests of Topco, and the CP Sponsor are able to exert significant influence in the election of our directors and control actions to be taken by our stockholders, including amendments to our third amended and restated certificate of incorporation and approval of mergers, sales of substantially all of our assets, and other significant corporate transactions. It is possible that the interests of Topco, the Advantage Sponsors and the CP Sponsor may in some circumstances conflict with our interests and the interests of our other stockholders, including you.

We are a controlled company within the meaning of the Nasdaq Stock Market LLC listing requirements and as a result, may rely on exemptions from certain corporate governance requirements. To the extent we rely on such exemptions, you will not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements.

Because of the voting power over our company held by Topco, the Advantage Sponsors, and the CP Sponsor and the voting arrangement between such parties, we are considered a controlled company for the purposes of the Nasdaq Global Select Market ("Nasdaq") listing requirements. As such, we are exempt from the corporate governance requirements that our board of directors, compensation committee, and nominating and corporate governance committee meet the standard of independence established by those corporate governance requirements. The independence standards are intended to ensure that directors who meet the independence standards are free of any conflicting interest that could influence their actions as directors.

We do not currently utilize the exemptions afforded to a controlled company, though we are entitled to do so. To the extent we utilize these exemptions, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

The anti-takeover provisions of our certificate of incorporation and bylaws could prevent or delay a change in control of us, even if such change in control would be beneficial to our stockholders.

Provisions of our certificate of incorporation and bylaws, as well as provisions of Delaware law, could discourage, delay, or prevent a merger, acquisition, or other change in control of us, even if such change in control would be beneficial to our stockholders. These include:

- authorizing the issuance of "blank check" preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt;
- provision for a classified board of directors so that not all members of our board of directors are elected at one time;
- not permitting the use of cumulative voting for the election of directors;
- permitting the removal of directors only for cause;
- limiting the ability of stockholders to call special meetings;
- requiring all stockholder actions to be taken at a meeting of our stockholders;
- requiring approval of the holders of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend, or repeal the proposed bylaws or repeal the provisions of the third amended and restated certificate of incorporation regarding the election and removal of directors; and

- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

In addition, although we have opted out of Section 203 of the Delaware General Corporation Law, our certificate of incorporation contains similar provisions providing that we may not engage in certain “business combinations” with any “interested stockholder” for a three-year period following the time that the stockholder became an interested stockholder, subject to certain exceptions. Generally, a “business combination” includes a merger, asset, or stock sale or other transaction resulting in a financial benefit to the interested stockholder.

Subject to certain exceptions, an “interested stockholder” is a person who, together with that person’s affiliates and associates, owns, or within the previous three years owned, 15% or more of our outstanding voting stock.

Under certain circumstances, this provision will make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with us for a three-year period. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Moreover, our certificate of incorporation provides that Topco and its affiliates do not constitute “interested stockholders” for purposes of this provision, and thus any business combination transaction between us and Topco and its affiliates would not be subject to the protections otherwise provided by this provision. Topco and its affiliates are not prohibited from selling a controlling interest in us to a third party and may do so without your approval and without providing for a purchase of your shares of common stock, subject to the lock-up restrictions applicable to Topco. Accordingly, your shares of common stock may be worth less than they would be if Topco and its affiliates did not maintain voting control over us.

The provisions of our certificate of incorporation and bylaws requiring exclusive venue in the Court of Chancery in the State of Delaware or the federal district courts of the United States of America for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.

Our certificate of incorporation and bylaws require, to the fullest extent permitted by law, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine will have to be brought only in the Court of Chancery in the State of Delaware (or the federal district court for the District of Delaware or other state courts of the State of Delaware if the Court of Chancery in the State of Delaware does not have jurisdiction). Our certificate of incorporation and bylaws also require that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the “Securities Act”); however, there is uncertainty as to whether a court would enforce such provision, and investors cannot waive compliance with federal securities laws and the rules and regulations thereunder. Although we believe these provisions benefit us by providing increased consistency in the application of applicable law in the types of lawsuits to which they apply, the provisions may have the effect of discouraging lawsuits against our directors and officers. These provisions do not apply to any suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Because we have no current plans to pay cash dividends on our Class A common stock, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it.

We have no current plans to pay cash dividends on our Class A common stock. The declaration, amount and payment of any future dividends on our Class A common stock will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, capital requirements, and other factors that our board of directors deems relevant. The payment of cash dividends is also restricted under the terms of the agreements governing our debt and our ability to pay dividend may also be restricted by the terms of any future credit agreement or any securities we or our subsidiaries may issue.

An active, liquid trading market for our Class A common stock may not be available.

We cannot predict the extent to which investor interest in our company will lead to availability of a trading market on Nasdaq or otherwise in the future or how active and liquid that market may be for our Class A common stock. If an active and liquid trading market is not available, you may have difficulty selling any of our Class A common stock. Among other things, in the absence of a liquid public trading market:

- you may not be able to liquidate your investment in shares of Class A common stock;
- you may not be able to resell your shares of Class A common stock at or above the price attributed to them when we became a publicly traded company;
- the market price of shares of Class A common stock may experience significant price volatility; and
- there may be less efficiency in carrying out your purchase and sale orders.

The trading price of our Class A common stock may be volatile or may decline regardless of our operating performance.

The market prices for our Class A common stock are likely to be volatile and may fluctuate significantly in response to a number of factors, most of which we cannot control, including:

- quarterly variations in our operating results compared to market expectations;
- changes in preferences of our clients;
- announcements of new products or services or significant price reductions;
- the size of our public float;
- fluctuations in stock market prices and volumes;
- defaults on our indebtedness;
- changes in senior management or key personnel;
- the granting, vesting, or exercise of employee stock options, restricted stock, or other equity rights;
- the payment of any dividends thereon in shares of our common stock;
- changes in financial estimates or recommendations by securities analysts;
- negative earnings or other announcements by us;
- downgrades in our credit ratings;
- material litigation or governmental investigations;
- issuances of capital stock;
- global economic, legal, and regulatory factors unrelated to our performance, including the COVID-19 pandemic; or
- the realization of any risks described in this Annual Report under “*Risk Factors*.”

In addition, in the past, stockholders have instituted securities class action litigation against companies following periods of market volatility. If we were involved in securities litigation, we could incur substantial costs and our resources and the attention of management could be diverted from our business.

We cannot provide any guaranty that we will continue to repurchase our common stock pursuant to our stock repurchase program.

In November 2021, our board of directors authorized a share repurchase program, under which we may repurchase up to \$100 million of our outstanding Class A common stock (the “2021 Share Repurchase Program”). As of December 31, 2023, the remaining amount available for repurchase pursuant to the 2021 Share Repurchase Program is \$81.1 million. However, we are not obligated to make any further purchases under the 2021 Share Repurchase Program and we may suspend or permanently discontinue this program at any time or significantly reduce the amount of repurchases under the program. Any announcement of a suspension, discontinuance or reduction of this program may negatively impact our reputation and investor confidence.

The valuation of our private placement warrants could increase the volatility in our net (loss) income in our consolidated statements of (loss) earnings.

We determine the fair value of the liability classified private placement warrants by approximating the value with the price of the public warrants at the respective period end. The change in fair value of warrant liability represents the mark-to-market fair value adjustments to the outstanding private placement warrants issued in connection with the initial public offering of Conyers Park.

Significant changes in the price of the public warrants and the number of private placement warrants outstanding may adversely affect the volatility in our net (loss) income in our Consolidated Statements of Operations and Comprehensive (Loss) Income.

Risks Related to Indebtedness

We need to continue to generate significant operating cash flow in order to fund our internal investments and acquisitions and to service our debt.

Our business currently generates operating cash flow, which we use to fund our internal investments and acquisitions to grow our business and to service our substantial indebtedness. If, because of loss of revenue, pressure on pricing from customers, increases in our costs (including increases in costs related to servicing our indebtedness or labor costs), general economic, financial, competitive, legislative, regulatory conditions or other factors, many of which are outside of our control our business generates less operating cash flow, we may not have sufficient funds to grow our business or to service our indebtedness.

If we are unable to generate sufficient cash flow or are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants in the agreements governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the lenders under our credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our credit agreements to avoid being in default. If we or any of our subsidiaries breach the covenants under our credit agreements and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our credit agreements, the lenders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation.

Our substantial indebtedness could adversely affect our financial health, restrict our activities, and affect our ability to meet our obligations.

We have a significant amount of indebtedness. As of December 31, 2023, we had total indebtedness of \$1.9 billion, excluding debt issuance costs, with an additional \$44.1 million of letters of credit outstanding under our revolving credit facility. The agreements governing our indebtedness contain customary covenants that restrict us from taking certain actions, such as incurring additional debt, permitting liens on pledged assets, making investments, paying dividends or making distributions to equity holders, prepaying junior debt, engaging in mergers or restructurings, and selling assets, among other things, which may restrict our ability to successfully execute on our business plan. For a more detailed description of the covenants and material terms of our material indebtedness, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” in this Annual Report.

Despite current indebtedness levels, we and our subsidiaries may still be able to incur additional indebtedness, which could increase the risks associated with our indebtedness.

We and our subsidiaries may be able to incur additional indebtedness in the future because the terms of our indebtedness do not fully prohibit us or our subsidiaries from doing so. Subject to covenant compliance and certain conditions, as of December 31, 2023, the agreements governing our indebtedness would have permitted us to borrow up to an additional \$455.9 million under our revolving credit facility. In addition, we and our subsidiaries have, and will have, the ability to incur additional indebtedness as incremental facilities under our credit agreement and we or our subsidiaries may issue additional notes in the future. If additional debt is added to our current debt levels and our subsidiaries’ current debt levels, the related risks that we and they now face could increase.

Failure to maintain our credit ratings could adversely affect our liquidity, capital position, ability to hedge certain financial risks, borrowing costs, and access to capital markets.

Our credit risk is evaluated by the major independent rating agencies, and such agencies have in the past downgraded, and could in the future downgrade, our ratings. Our credit rating may impact the interest rates on any future indebtedness as well as the applicability of certain covenants in the agreements governing our indebtedness. We cannot assure you that we will be able to maintain our current credit ratings, and any additional, actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, may have a negative impact on our liquidity, capital position, ability to hedge certain financial risks, and access to capital markets.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. On a pro forma basis, assuming no other prepayments of the credit facility and that our revolving credit facility is fully drawn (and to the extent that SOFR, is in excess of the 0.00% and 0.75% floors applicable to our revolving credit facility and our term loan credit facility, respectively), each one-eighth percentage point change in interest rates would result in an approximately \$0.9 million change in annual interest expense on the indebtedness under our credit facilities. In the future, we may enter into interest rate swaps that involve the exchange of floating- for fixed-rate interest payments in order to reduce interest rate volatility or risk. However, we may not maintain interest rate swaps with respect to any of our variable rate indebtedness, and any swaps we enter into may not fully or effectively mitigate our interest rate risk.

General Risk Factors

Our business and financial results may be affected by various litigation and regulatory proceedings.

We are subject to litigation and regulatory proceedings in the normal course of business and could become subject to additional claims in the future. These proceedings have included, and in the future may include, matters involving personnel and employment issues, workers' compensation, personal and property injury, disputes relating to acquisitions (including contingent consideration), governmental investigations and other proceedings. Some historical and current legal proceedings and future legal proceedings may purport to be brought as class actions or representative basis on behalf of similarly situated parties including with respect to employment-related matters. We cannot be certain of the ultimate outcomes of any such claims, and resolution of these types of matters against us may result in significant fines, judgments or settlements, which, if uninsured, or if the fines, judgments and settlements exceed insured levels, could adversely affect our business or financial results. See "Legal Proceedings."

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

Our business is subject to various, and sometimes complex, laws and regulations, including those that have been or may be implemented in response to the COVID-19 pandemic. In order to conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state, local and international governmental authorities. We may incur substantial costs in order to maintain compliance with these existing laws and regulations. In addition, our costs of compliance may increase if existing laws and regulations are revised or reinterpreted or if new laws and regulations become applicable to our operations. These costs could have an adverse impact on our business or results of operations. Moreover, our failure to comply with these laws and regulations, as interpreted and enforced, could lead to fines, penalties or management distraction or otherwise harm our business.

Our insurance may not provide adequate levels of coverage against claims.

We believe that we maintain insurance customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Further, insurance may not continue to be available to us on acceptable terms, if at all, and, if available, coverage may not be adequate. If we are unable to obtain insurance at an acceptable cost or on acceptable terms, we could be exposed to significant losses.

We have incurred and will continue to incur increased costs as a public company.

As a public company, we have incurred and will continue to incur significant legal, accounting, insurance, and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with the Sarbanes-Oxley Act and related rules implemented by the SEC. The expenses incurred by public companies for reporting and corporate governance purposes generally have been increasing. Laws and regulations could also make it more difficult or costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on our board committees, or as our executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our Class A common stock, fines, sanctions, and other regulatory action and potentially civil litigation.

If securities analysts do not publish research or reports about our business or if they publish negative evaluations of our common stock, the price of our Class A common stock could decline.

The trading market for our Class A common stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. If few analysts commence coverage of us, the trading price of our stock could be negatively affected. Even with analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our Class A common stock could decline. If one or more of these analysts cease to cover our common stock, we could lose visibility in the market for our Class A common stock, which in turn could cause our Class A common stock price to decline.

Substantial future sales of our Class A common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could adversely affect the price of our common stock and could impair our ability to raise capital through the sale of additional shares. Certain shares of our common stock are freely tradable without restriction under the Securities Act, except for any shares of our common stock that may be held or acquired by our directors, executive officers, and other affiliates, as that term is defined in the Securities Act, which are to be restricted securities under the Securities Act. Restricted securities may not be sold in the public market unless the sale is registered under the Securities Act or an exemption from registration is available. Topco, the Advantage Sponsors, the CP Sponsor and members of our management have rights, subject to certain conditions, to require us to file registration statements covering Topco's shares of our common stock or to include shares in registration statements that we may file for ourselves or other stockholders. In each of November 2020 and March 2021, we filed a registration statement on Form S-1 under which certain of our stockholders may sell, from time to time, 50,000,000 shares and 255,465,000 shares of our Class A common stock, respectively, that, if sold, will be freely tradable without restriction under the Securities Act. In the event a large number of shares of Class A common stock are sold in the public market, such sales could reduce the market price of our Class A common stock.

We may also issue shares of our common stock or securities convertible into our common stock from time to time in connection with financings, acquisitions, investments, or otherwise. Any such issuance could result in ownership dilution to you as a stockholder and cause the trading price of our common stock to decline.

Item 1B. Unresolved Staff Comments.

None

Item 1C. Cybersecurity

Cybersecurity Risk Management and Strategy

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program includes a cybersecurity incident response plan.

We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework the ("NIST CSF"). This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use the NIST CSF as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business.

Our cybersecurity risk management program is integrated into our overall enterprise risk management program, and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational, and financial risk areas.

Our cybersecurity risk management program includes:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- cybersecurity awareness training of our employees, incident response personnel, and senior management; and
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected us, including our operations, business strategy, results of operations, or financial condition. We face risks from cybersecurity threats that, if realized, are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition. See "Risk Factors – Failures in, data breaches of, or incidents involving, our technology infrastructure could damage our business, reputation and brand and substantially harm our business and results of operations."

Cybersecurity Governance

Our Board considers cybersecurity risk as part of its risk management oversight function and has delegated risk management to the Audit Committee of the Board of Directors. In 2024, the Audit Committee's charter was updated to expressly state that this oversight function includes cybersecurity risk.

The Audit Committee oversees management's implementation of our cybersecurity risk management program. The Audit Committee receives periodic reports from management on our cybersecurity risks. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity incidents, as well as any incidents with lesser impact potential.

The Committee reports to the full Board regarding its activities, including those related to risk management and cybersecurity. All board members are permitted to attend the meetings of the Audit Committee and certain board members who do not serve on the Audit Committee have attended cybersecurity risks presentations. In addition, cybersecurity risk briefing materials are made available to all board members. At any time, Board members may raise concerns regarding our cybersecurity posture and recommend future changes to, among other things, personnel, practices, controls or procedures.

Our management team, including our Chief Digital Officer ("CDO") and Chief Information Security Officer ("CISO"), is responsible for assessing and managing our material risks from cybersecurity threats. The Company's cybersecurity program is primarily managed by a dedicated cybersecurity function reporting to our CISO who reports to our CDO. Our CISO has over 20 years of executive experience in IT security, and previously served as the CISO of Blue Shield of California and Kellogg Company. Our CDO has over 30 years of executive experience in IT operations and was previously the Global Chief Information Officer of Walgreens-Boots Alliance, Inc., The Kraft Heinz Company and Kraft Foods Group.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

Item 2. Properties

Our corporate headquarters are located in Irvine, California, where we rent approximately 22,000 square feet pursuant to a lease agreement that is scheduled to expire in May 2026. We anticipate that we will complete the relocation of our corporate headquarters to Clayton, Missouri, in the St. Louis-metropolitan area in 2024.

As of December 31, 2023, we operated more than 70 offices, including in the United States and internationally.

We lease all of our properties, except for a property in Connecticut that we own. Leases on these offices expire at various dates from 2024 to 2034, excluding any options for renewal. We typically seek office space in proximity to retailers' headquarters or buying offices, to aid our associates in acting as sales representatives for our manufacturer clients.

Item 3. Legal Proceedings

We are involved in various legal matters that arise in the ordinary course of our business. Some of these legal matters purport or may be determined to be class and/or representative actions or seek substantial damages or penalties. Some of these legal matters relate to disputes regarding acquisitions. In connection with certain of the below matters and other legal matters, we have accrued amounts that we believe are appropriate. There can be no assurance, however, that the above matters and other legal matters will not result in us having to make payments in excess of such accruals or that the above matters or other legal matters will not materially or adversely affect our business, financial position, results of operations, or cash flows.

Commercial Matters

We have been involved in various litigation matters and arbitrations with respect to commercial matters arising with clients, vendors and third-party sellers of businesses. We have retained outside counsel to represent us in these matters and we are vigorously defending our interests.

Employment-Related Matters

We have also been involved in various litigation, including purported class or representative actions with respect to matters arising under the U.S. Fair Labor Standards Act, California Labor Code and Private Attorneys General Act ("PAGA"). Many involve allegations for allegedly failing to pay wages and/or overtime, failing to provide meal and rest breaks and failing to pay reporting time pay, waiting time penalties and other penalties.

Proceedings Relating to Take 5

The following proceedings relate to the Take 5 Matter, which is discussed in greater detail in "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Take 5 Matter*" and "*Risk Factors — Risks Related to the Company's Business and Industry*" in this Annual Report. In connection with the Take 5 Matter, we voluntarily disclosed to the United States Attorney's Office and the Federal Bureau of Investigation certain misconduct occurring at Take 5. We intend to cooperate in this and any other governmental investigation that may arise in connection with the Take 5 Matter. At this time, we cannot predict the ultimate outcome of any investigation related to the Take 5 Matter and are unable to estimate the potential impact such an investigation may have on us. In August 2019, as a result of the Take 5 Matter, we provided a written indemnification claim notice to the sellers of Take 5, or the Take 5 Sellers, seeking monetary damages (including interest, fees and costs) based on allegations of breach of the asset purchase agreement (the "Take 5 APA"), as well as fraud. We and the Take 5 Sellers engaged in arbitration proceedings. In October 2022, the arbitrator made a final award in our favor. We are actively pursuing the collection of this award in state court in Florida. We are currently unable to estimate if or when we will be able to collect any amounts associated with this arbitration. The Take 5 Matter may result in additional litigation against us, including lawsuits from clients, or governmental investigations, which may expose us to potential liability in excess of the amounts being offered by us as refunds to Take 5 clients. We are currently unable to determine the amount of any potential liability, costs or expenses (above the amounts already being offered as refunds) that may result from any lawsuits or investigations associated with the Take 5 Matter or determine whether any such issues will have any future material adverse effect on our financial position, liquidity or results of operations. Although we have insurance covering certain liabilities, we cannot assure that the insurance will be sufficient to cover any potential liability or expenses associated with the Take 5 Matter.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our Class A common stock and Warrants are currently listed on the Nasdaq Global Select Market under the symbols "ADV" and "ADVWWW," respectively. As of December 31, 2023, there were 30 holders of record of our Class A common stock and 2 holders of record of our Warrants.

Dividend Policy

We have not paid any cash dividends on our Class A common stock to date. We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of the Board of Directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding

indebtedness we or our subsidiaries incur. We do not anticipate declaring any cash dividends to holders of the Class A common stock in the foreseeable future.

Stock Price Performance



The graph above compares the cumulative total stockholder return on our Class A common stock with the cumulative total return on the Standard & Poor's ("S&P") 500 Stock Index and the S&P Consumer Staples Select Sector Index. The graph assumes an initial investment of \$100 in our Class A common stock at the market close on July 18, 2019, which was our initial trading day. Data for the S&P 500 Stock Index and S&P Consumer Staples Select Sector Index assume reinvestment of dividends. Total return equals stock price appreciation plus reinvestment of dividends. Note that past stock price performance is not necessarily indicative of future stock price performance.

Purchases of equity securities by the issuer and affiliated purchasers

On November 9, 2021, we announced that our board of directors authorized a share repurchase program (the "2021 Share Repurchase Program") pursuant to which we may repurchase up to \$100 million of our Class A common stock.

The 2021 Share Repurchase Program does not have an expiration date, but provides for suspension or discontinuation at any time. The 2021 Share Repurchase Program permits the repurchase of our Class A common stock on the open market and by other means from time to time. The timing and amount of any share repurchase is subject to prevailing market conditions, relevant securities laws and other considerations, and we are under no obligation to repurchase any specific number of shares.

During the year ended December 31, 2023, we executed open market purchases of \$6.4 million of our Class A common stock under the 2021 Share Repurchase Program. As of December 31, 2023, there remained \$81.1 million of share repurchase availability under the 2021 Share Repurchase Program as of December 31, 2023. The following tables sets forth repurchases of our Class A common stock during the year ended December 31, 2023:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Approximate dollar value of shares that may yet to be purchased under the program (in thousands)
November 21, 2023 to November 30, 2023 ⁽¹⁾	378,382	\$ 2.71	1,988,396	\$ 86,407
December 1, 2023 to December 31, 2023 ⁽¹⁾	1,611,679	\$ 3.32	3,600,075	\$ 81,051
Total	1,990,061			

(1) Open market and privately negotiated purchases

In December 2023, the Company entered into a trading plan under Rule 10b5-1 of the Exchange Act authorizing the repurchase of shares of our Class A common stock. From January 2, 2024 to February 29, 2024, we purchased 3.0 million shares of our Class A common stock. No stock repurchases were made pursuant to this plan for the year ended December 31, 2023.

Recent Sales of Unregistered Equity Securities

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes thereto included in Item 8 "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K. This section of this Form 10-K generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 are not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Form 10-K for the fiscal year ended December 31, 2022 filed with the SEC on March 1, 2023.

Executive Overview

We are a leading business solutions provider to consumer goods manufacturers and retailers. We have a strong platform of competitively advantaged sales and marketing services built over multiple decades – essential, business critical services like headquarter sales, retail merchandising, in-store sampling, digital commerce and shopper marketing. For brands and retailers of all sizes, we help get the right products on the shelf (whether physical or digital) and into the hands of consumers (however they shop). We use a scaled platform to innovate as a trusted partner with our clients, solving problems to increase their efficiency and effectiveness across a broad range of channels.

For 2023 and 2022, we had two reportable segments: sales and marketing.

Through our sales segment, which generated approximately 57.9% of our total revenues in the year ended December 31, 2023, we offer headquarter sales representation services to consumer goods manufacturers, for whom we prepare and present to retailers a business case to increase distribution of manufacturers' products and optimize how they are displayed, priced and promoted. We also make in-store merchandising visits for both manufacturer and retailer clients to ensure the products we represent are adequately stocked and properly displayed.

Through our marketing segment, which generated approximately 42.1% of our total revenues in the year ended December 31, 2023, we help brands and retailers reach consumers through two main categories within the marketing segment. The first and largest category is our retail experiential business, also known as in-store sampling or demonstrations, where we manage highly customized large-scale sampling programs (both in-store and online) for leading retailers. The second category is our collection of specialized

agency services, in which we provide private label services to retailers and develop granular marketing programs for brands and retailers through our shopper, consumer and digital marketing agencies.

During the fourth quarter of 2023, certain organizational changes were announced that will impact our future internal reporting. As a result of these changes, we expect to have three reportable segments. We expect that any operational changes impacting our reportable segments will be effective in the first quarter of 2024.

Items Affecting Comparability of Financial Results

2024 Divestiture of Foodservice Businesses

We have included businesses classified as held for sale within continuing operations as their dispositions do not represent a strategic shift that will have a major effect on our operations and financial results.

As of December 31, 2023, certain assets and liabilities of a collection of foodservice businesses were classified as held for sale in Prepaid expenses and other current assets and Other accrued expenses on our Consolidated Balance Sheet. The collection of foodservice businesses were sold during the first quarter of 2024. As part of the sale, the foodservice businesses were combined with an entity owned by the buyer, and we received approximately \$91.0 million, less estimated working capital adjustment and an ongoing 7.5% stake in the entity with which the foodservice businesses will be combined.

2023 Deconsolidation of ASL

On November 30, 2023, we reduced our equity interest in Advantage Smollan Limited ("ASL"), our European joint venture, from a majority interest of under 60% to a minority interest of 49.6% in exchange for \$1.0 million in cash. We also removed certain participating rights with ASL related to capital allocation and certain of our decision making rights. Therefore, in accordance with Accounting Standards Codification 810 ("ASC 810"), *Consolidation*, ASL was deconsolidated from our consolidated financial statements. Effective December 1, 2023, our investment in ASL is accounted for under the equity method of accounting, with the investment reported in "Investments in unconsolidated affiliates" on the Consolidated Balance Sheets and Equity income (loss) reported in "Income from unconsolidated investments" on the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Impacts of the COVID-19 Pandemic

Our services experienced the effects from reductions in client spending due to the economic impact related to the COVID-19 pandemic. While mixed by services and geography, the spending reductions impacted all of our services and markets, which particularly impacted our operations in 2021. Globally, the most impacted services were our in-store sampling and demonstration services, which have continued to improve in 2023.

Summary

Our financial performance for the year ended December 31, 2023 as compared to the year ended December 31, 2022 includes:

- Revenues increased by \$175.1 million, or 4.3%, to \$4,224.8 million;
- Operating loss decreased by \$1,515.6 million to \$76.2 million of operating income;
- Net loss decreased by \$1,317.0 million to \$60.3 million;
- Adjusted Net Income decreased by \$82.8 million, or 40.1%, to \$123.8 million; and
- Adjusted EBITDA decreased by \$11.6 million, or 2.7%, to \$424.3 million.

Factors Affecting Our Business and Financial Reporting

There are a number of factors, in addition to the deconsolidation of ASL, the impact of the COVID-19 pandemic and, inflation, that affect the performance of our business and the comparability of our results from period to period including:

- **Organic Growth.** Part of our strategy is to generate organic growth by expanding our existing client relationships, continuing to win new clients, pursuing channel expansion, enhancing our service offerings, developing our international platform, delivering operational efficiencies and expanding into logical adjacencies. We believe that by pursuing these

organic growth opportunities we will be able to continue to enhance our value proposition to our clients and thereby grow our business.

• **Acquisitions and Divestitures.** We have grown our business in part by acquiring businesses, both domestic and international. Many of our acquisition agreements include contingent consideration arrangements, which are described below. We have completed acquisitions at what we believe are attractive purchase prices and have regularly structured our agreements to result in the generation of long-lived tax assets, which have in turn reduced our effective purchase prices when incorporating the value of those tax assets. We continue to look for strategic acquisitions that can be completed at attractive purchase prices. We continue to evaluate opportunities to further simplify our operations so we can focus more resources on our core businesses.

• **Contingent Consideration.** Many of our acquisition agreements include contingent consideration arrangements, which are generally based on the achievement of financial performance thresholds by the operations attributable to the acquired businesses. The contingent consideration arrangements are based upon our valuations of the acquired businesses and are intended to share the investment risk with the sellers of such businesses if projected financial results are not achieved. The fair values of these contingent consideration arrangements are included as part of the purchase price of the acquired companies on their respective acquisition dates. For each transaction, we estimate the fair value of contingent consideration payments as part of the initial purchase price. We review and assess the estimated fair value of contingent consideration on a quarterly basis, and the updated fair value could differ materially from our initial estimates. Adjustments to the estimated fair value related to changes in all other unobservable inputs are reported in "Selling, general and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

• **Depreciation and Amortization.** As a result of the acquisition of our business by Topco on July 25, 2014 (the "2014 Topco Acquisition"), we acquired significant intangible assets, the value of which is amortized, on a straight-line basis, over 15 years from the date of the 2014 Topco Acquisition, unless determined to be indefinite-lived. The amortization of such intangible assets recorded in our consolidated financial statements has a significant impact on our operating (loss) income and net loss. Our historical acquisitions have increased, and future acquisitions likely will increase, our intangible assets. We do not believe the amortization expense associated with the intangible assets created from our purchase accounting adjustments reflect a material economic cost to our business. Unlike depreciation expense which has an economic cost reflected by the fact that we must re-invest in property and equipment to maintain the asset base delivering our results of operations, we do not have any capital re-investment requirements associated with the acquired intangible assets, such as client relationships and trade names, that comprise the majority of the finite-lived intangible assets that create our amortization expense.

• **Impairment of Goodwill and Indefinite-Lived Assets.** We recognized a non-cash intangible asset impairment charge of \$43.5 million related to our indefinite-lived sales trade name during the year ended December 31, 2023. We recognized \$1,275.7 million and \$91.8 million impairment charges in the sales and marketing reporting units, respectively, for the year ended December 31, 2022. We recognized non-cash intangible asset impairment charges of \$146.0 million and \$59.0 million related to our indefinite-lived sales and marketing trade names, respectively, during the year ended December 31, 2022. The impairment charges have been reflected in "Impairment of goodwill and indefinite-lived assets" in our Consolidated Statements of Comprehensive (Loss) Income.

• **Foreign Exchange Fluctuations.** Our financial results are affected by fluctuations in the exchange rate between the U.S. dollar and other currencies, primarily the Canadian dollars, British pounds and euros, due to our operations in such foreign jurisdictions. See also "— Quantitative and Qualitative Disclosure of Market Risk—Foreign Currency Risk."

• **Seasonality.** Our quarterly results are seasonal in nature, with the fourth fiscal quarter typically generating a higher proportion of our revenues than other fiscal quarters, as a result of higher consumer spending. We generally record slightly lower revenues in the first fiscal quarter of each year, as our clients begin to roll out new programs for the year, and consumer spending generally is less in the first fiscal quarter than other quarters. The timing of our clients' marketing expenses, associated with marketing campaigns and new product launches, can also result in fluctuations from one quarter to another.

How We Assess the Performance of Our Business

Revenues

Revenues related to our sales segment are primarily comprised of commissions, fee-for-service and cost-plus fees for providing retail services, category and space management, headquarter relationship management and technology solutions. A small portion of our arrangements include performance incentive provisions, which allow us to earn additional revenues on our performance relative to specified quantitative or qualitative goals. We recognize the incentive portion of revenues under these arrangements when the related services are transferred to the customer.

Marketing segment revenues are primarily recognized in the form of a fee-for-service (including retainer fees, fees charged to clients based on hours incurred, project-based fees or fees for executing in-person consumer engagements or experiences, which engagements or experiences we refer to as events), commissions or on a cost-plus basis, in each case, related to services including experiential marketing, shopper and consumer marketing services, private label development or our digital, social and media services.

We analyze our financial performance, in part, by measuring revenue growth in two ways—revenue growth attributable to organic activities and revenue growth and declines attributable to acquisitions, which we refer to as organic revenues and acquired revenues, respectively.

We define organic revenues as any revenues that are not acquired revenues. Our organic revenues exclude the impacts of acquisitions and divestitures, when applicable, which improves comparability of our results from period to period.

In general, when we acquire a business, the acquisition includes a contingent consideration arrangement (e.g., an earn-out provision) and, accordingly, we separately track the financial performance of the acquired business. In such cases, we consider revenues generated by such a business during the 12 months following its acquisition to be acquired revenues. For example, if we completed an acquisition on July 1, 2022 for a business that included a contingent consideration arrangement, we would consider revenues from the acquired business from July 1, 2022 to June 30, 2023 to be acquired revenues. We generally consider growth attributable to the financial performance of an acquired business after the 12-month anniversary of the date of acquisition to be organic.

If an acquisition of an acquired business does not include a contingent consideration arrangement, or we otherwise do not separately track the financial performance of the acquired business due to operational integration, we consider the revenues that the business generated in the 12 months prior to its acquisition to be our acquired revenues for the 12 months following its acquisition, and any differences in revenues actually generated during the 12 months after its acquisition to be organic. For example, if we completed an acquisition on July 1, 2022 for a business that did not include a contingent consideration arrangement, we would consider the amount of revenues from the acquired business from July 1, 2021 to June 30, 2022 to be acquired revenues during the period from July 1, 2022 to June 30, 2023, with any differences from that amount actually generated during the latter period to be organic revenues.

All revenues generated by our acquired businesses are considered to be organic revenues after the 12-month anniversary of the date of acquisition.

When we divest a business, we consider the revenues that the divested business generated in the 12 months prior to its divestiture to be subtracted from acquired revenues for the 12 months following its divestiture. For example, if we completed a divestiture on July 1, 2022 for a business, we would consider the amount of revenues from the divested business from July 1, 2021 to June 30, 2022 to be subtracted from acquired revenues during the period from July 1, 2022 to June 30, 2023.

We measure organic revenue growth and acquired revenue growth by comparing the organic revenues or acquired revenues, respectively, period over period, net of any divestitures.

Cost of Revenues

Our cost of revenues consists of both fixed and variable expenses primarily attributable to the hiring, training, compensation and benefits provided to both full-time and part-time associates, as well as other project-related expenses. A number of costs associated with our associates are subject to external factors, including inflation, increases in market specific wages and minimum wage rates at federal, state and municipal levels and minimum pay levels for exempt roles. Additionally, when we enter into certain new client relationships, we may experience an initial increase in expenses associated with hiring, training and other items needed to launch the new relationship.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of salaries, payroll taxes and benefits for corporate personnel. Other overhead costs include information technology, professional services fees, including accounting and legal services, and other general corporate expenses. We also incur expenses operating as a public company, including expenses necessary to comply with the rules and regulations applicable to companies listed on a national securities exchange and related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, as well as higher expenses for general and director and officer insurance, investor relations, and professional services. Additionally, included in selling, general and administrative expenses are costs associated with the changes in fair value of the contingent consideration of acquisitions and other costs related to acquisition or divestiture

transactions. These transaction-related costs are comprised of fees related to change of equity ownership, professional fees, due diligence and integration or divestiture activities.

Impairment of Goodwill and Indefinite-lived Assets

Goodwill represents the excess of the purchase price over the fair value of the net identifiable tangible and intangible assets acquired in an acquisition. We test for impairment of goodwill at the reporting unit level. We generally combine components that have similar economic characteristics, nature of services, types of clients, distribution methods and regulatory environment. For 2023 and 2022 we had two reporting units, sales and marketing, which were also our operating segments. We test our goodwill for impairment at the beginning of the fourth quarter of a given fiscal year, and whenever events or changes in circumstances indicate that the carrying value of a reporting unit may exceed its fair value.

Other Expenses

Change in Fair Value of Warrant Liability

Change in fair value of warrant liability represents a non-cash (income) expense resulting from a fair value adjustment to warrant liability with respect to the private placement warrants. Based on the availability of sufficient observable information, we determine the fair value of the liability classified private placement warrants by approximating the value with the price of the public warrants at the respective period end, which is inherently less subjective and judgmental given it is based on observable inputs. We believe these amounts are not correlated to future business operations.

Interest Expense

Interest expense relates primarily to borrowings under our material debt agreements as described below. See “—*Liquidity and Capital Resources*.”

Depreciation and Amortization

Amortization Expense

As a result of the 2014 Topco Acquisition, we acquired significant intangible assets, the value of which is amortized, on a straight-line basis, over 15 years from the date of the 2014 Topco Acquisition, unless determined to be indefinite-lived. Included in our depreciation and amortization expense is amortization of acquired intangible assets. We have ascribed value to identifiable intangible assets other than goodwill in our purchase price allocations for companies we have acquired. These assets include, but are not limited to, client relationships and trade names. To the extent we ascribe value to identifiable intangible assets that have finite lives, we amortize those values over the estimated useful lives of the assets. Such amortization expense, although non-cash in the period expensed, directly impacts our results of operations. It is difficult to predict with any precision the amount of expense we may record relating to future acquired intangible assets.

Depreciation Expense

Depreciation expense relates to the property and equipment that we own, which represented less than 1% of our total assets at December 31, 2023.

Income Taxes

Income tax (benefit) expense and our effective tax rates can be affected by many factors, including state apportionment factors, our acquisition strategy, tax incentives and credits available to us, changes in judgment regarding our ability to realize our deferred tax assets, changes in our worldwide mix of pre-tax losses or earnings, changes in existing tax laws and our assessment of uncertain tax positions.

Cash Flows

We have positive cash flow characteristics, as described below, due to the limited required capital investment in the fixed assets and working capital needs to operate our business in the normal course. See “—*Liquidity and Capital Resources*.”

Our principal sources of liquidity are cash flows from operations, borrowings under the Revolving Credit Facility (as defined below), and other debt. Our principal uses of cash are operating expenses, working capital requirements, acquisitions and repayment of debt.

Adjusted Net Income

Adjusted Net Income is a non-GAAP financial measure. Adjusted Net Income means net loss before (i) impairment of goodwill and indefinite-lived assets, (ii) gain on deconsolidation of subsidiaries, (iii) loss on divestitures, (iv) amortization of intangible assets, (v) equity-based compensation of Karman Topco L.P., (vi) changes in fair value of warrant liability, (vii) fair value adjustments of contingent consideration related to acquisitions, (viii) acquisition and divestiture related expenses, (ix) costs associated with COVID-19, net of benefits received, (x) net income attributable to noncontrolling interest, (xi) reorganization expenses, (xii) litigation expenses, (xiii) deferred financing fees, (xiv) gain on repurchases of Term Loan Facility and Senior Secured Notes debt, (xv) recovery from and costs associated with the Take 5 Matter, (xvi) other adjustments that management believes are helpful in evaluating our operating performance, and (xvii) related tax adjustments.

We present Adjusted Net Income because we use it as a supplemental measure to evaluate the performance of our business in a way that also considers our ability to generate profit without the impact of items that we do not believe are indicative of our operating performance or are unusual or infrequent in nature and aid in the comparability of our performance from period to period. Adjusted Net Income should not be considered as an alternative for net loss, our most directly comparable measure presented on a GAAP basis.

Adjusted EBITDA and Adjusted EBITDA by Segment

Adjusted EBITDA and Adjusted EBITDA by segment are supplemental non-GAAP financial measures of our operating performance. Adjusted EBITDA means net loss before (i) interest expense, net, (ii) (benefit from) provision for income taxes, (iii) depreciation, (iv) impairment of goodwill and indefinite-lived assets, (v) amortization of intangible assets, (vi) gain on deconsolidation of subsidiaries, (vii) loss on divestitures, (viii) equity-based compensation of Karman Topco L.P., (ix) changes in fair value of warrant liability, (x) stock-based compensation expense, (xi) fair value adjustments of contingent consideration related to acquisitions, (xii) acquisition and divestiture related expenses, (xiii) costs associated with COVID-19, net of benefits received, (xiv) EBITDA for economic interests in investments, (xv) reorganization expenses, (xvi) litigation expenses, (xvii) recovery from and costs associated with the Take 5 Matter and (xix) other adjustments that management believes are helpful in evaluating our operating performance.

We present Adjusted EBITDA and Adjusted EBITDA by segment because they are key operating measures used by us to assess our financial performance. These measures adjust for items that we believe do not reflect the ongoing operating performance of our business, such as certain non-cash items, unusual or infrequent items or items that change from period to period without any material relevance to our operating performance. We evaluate these measures in conjunction with our results according to GAAP because we believe they provide a more complete understanding of factors and trends affecting our business than GAAP measures alone. Furthermore, the agreements governing our indebtedness contain covenants and other tests based on measures substantially similar to Adjusted EBITDA. Neither Adjusted EBITDA nor Adjusted EBITDA by segment should be considered as an alternative for net loss or operating income (loss), respectively, our most directly comparable measures presented on a GAAP basis. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore our non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

For a reconciliation of Adjusted EBITDA to net loss and Adjusted EBITDA by segment to operating income (loss), see “—Non-GAAP Financial Measures.”

Take 5 Matter

On April 1, 2018, we acquired certain assets and assumed certain liabilities of Take 5 Media Group. In June 2019, as a result of a review of internal allegations related to inconsistency of data provided by Take 5 to its clients, we commenced an investigation into Take 5's operations. In July 2019, as a result of our investigation, we terminated all operations of Take 5 and offered refunds to Take 5 clients of collected revenues attributable to Take 5 since our acquisition of Take 5. For the years ended December 31, 2023, 2022 and 2021, we incurred \$0.3 million, \$2.5 million, and \$4.9 million, respectively, of costs associated with the investigation and remediation activities in connection with the Take 5 Matter, primarily professional fees and other related costs. These costs were recorded in “Selling, general, and administrative expenses” in the Consolidated Statements of Operations and Comprehensive (Loss) Income for such years.

Reorganization Charges

Reorganization charges include severance plans designed to integrate and reduce costs intended to further improve efficiencies in operational activities and align cost structures consistent with revenue levels associated with business changes. We recorded severance expenses of \$15.4 million, \$3.2 million, and \$1.0 million included in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income for the years ended December 31, 2023, 2022, and 2021, respectively.

Results of Operations for the Years Ended December 31, 2023 and 2022

(amounts in thousands)	Year Ended December 31,				
	2023	2022		2023	2022
Revenues	\$ 4,224,846	\$ 4,049,742	100.0 %	100.0 %	100.0 %
Cost of revenues	3,660,464	3,493,183	86.6 %	86.3 %	86.3 %
Selling, general, and administrative expenses	265,091	187,504	6.3 %	4.6 %	4.6 %
Impairment of goodwill and indefinite-lived assets	43,500	1,572,523	1.0 %	38.8 %	38.8 %
Depreciation and amortization	224,697	233,075	5.3 %	5.8 %	5.8 %
Gain on deconsolidation of subsidiaries	(58,891)	—	(1.4)%	0.0 %	0.0 %
Loss on divestitures	19,068	2,863	0.5 %	0.1 %	0.1 %
Income from unconsolidated investments	(5,273)	—	(0.1)%	0.0 %	0.0 %
Total expenses	4,148,656	5,489,148	98.2 %	135.5 %	135.5 %
Operating income (loss)	76,190	(1,439,406)	1.8 %	(35.5)%	(35.5)%
Other (income) expenses:					
Change in fair value of warrant liability	(286)	(21,236)	0.0 %	(0.5)%	(0.5)%
Interest expense, net	165,802	104,459	3.9 %	2.6 %	2.6 %
Total other expenses	165,516	83,223	3.9 %	2.1 %	2.1 %
Loss before income taxes	(89,326)	(1,522,629)	(2.1)%	(37.6)%	(37.6)%
Benefit from income taxes	(29,008)	(145,337)	(0.7)%	(3.6)%	(3.6)%
Net loss	\$ (60,318)	\$ (1,377,292)	(1.4)%	(34.0)%	(34.0)%
Other Financial Data					
Adjusted Net Income ⁽¹⁾	\$ 123,834	\$ 206,599	2.9 %	5.1 %	5.1 %
Adjusted EBITDA ⁽¹⁾	\$ 424,347	\$ 435,995	10.0 %	10.8 %	10.8 %

(1) Adjusted Net Income and Adjusted EBITDA are financial measures that are not calculated in accordance with GAAP. For a discussion of our presentation of Adjusted Net Income and Adjusted EBITDA and reconciliations of net loss to Adjusted Net Income and Adjusted EBITDA, see "—Non-GAAP Financial Measures."

Comparison of the Years Ended December 31, 2023 and 2022

Revenues

(amounts in thousands)	Year Ended December 31,		Change	
	2023	2022	\$	%
Sales	\$ 2,445,015	\$ 2,507,017	\$ (62,002)	(2.5%)
Marketing	1,779,831	1,542,725	237,106	15.4 %
Total revenues	\$ 4,224,846	\$ 4,049,742	\$ 175,104	4.3 %

Total revenues increased by \$175.1 million, or 4.3%, during the year ended December 31, 2023, as compared to the year ended December 31, 2022.

The sales segment revenues decreased \$62.0 million during the year ended December 31, 2023 as compared to the year ended December 31, 2022. Excluding \$91.4 million of revenues from divested businesses and the deconsolidation of our European joint venture, net of acquired businesses and favorable foreign exchange rates of \$1.3 million, the segment experienced an increase of \$28.2 million in organic revenues primarily due to an increase in our retail-centric merchandising services with an increase in volume and pricing realization as well as growth in our European joint venture, partially offset by an intentional client exit.

The marketing segment revenues increased \$237.1 million during the year ended December 31, 2023 as compared to the year ended December 31, 2022, which includes revenues of \$0.3 million from acquired businesses, net of a divested business. Excluding revenues from acquired businesses, net of a divested business and unfavorable foreign exchange rates of \$9.1 million, the segment experienced an increase of \$245.9 million in organic revenues. The increase in revenues was primarily due to an increase in our in-store sampling and demonstration services and pricing realization, partially offset by a decrease in certain of our digital services.

Cost of Revenues

Cost of revenues as a percentage of revenues for the year ended December 31, 2023 was 86.6%, as compared to 86.5% for the year ended December 31, 2022, which is consistent year over year.

Selling, General and Administrative Expenses

Selling, general and administrative expenses as a percentage of revenues for the year ended December 31, 2023 was 6.3%, as compared to 4.6% for the year ended December 31, 2022. The increase as a percentage of revenues was primarily attributable to our internal reorganization activities, largely related to professional fees and severance, coupled with increased incentive compensation and technology expenses.

Impairment of Goodwill and Indefinite-lived Assets

We recognized a \$43.5 million non-cash trade name intangible asset impairment charge during the year ended December 31, 2023. The impairment charges were due to the deconsolidation of our European joint venture and intended sale of the foodservice businesses. We recognized a \$1,367.5 million non-cash goodwill impairment charge and a \$205.0 million non-cash intangible asset impairment charge during the year ended December 31, 2022. The impairment charges were due to the confluence of sustained decline in our share price, challenges in the labor market and continued inflationary pressures, and an increase to the discount rate as a result of the increases in interest rates during 2022.

Depreciation and Amortization Expense

Depreciation and amortization expense was \$224.7 million for the year ended December 31, 2023 as compared to \$233.1 million, which was primarily due to a decrease in software amortization expenses and intangible assets amortization expense.

Gain on Deconsolidation of Subsidiaries

On November 30, 2023, we reduced our equity interest in ASL, our European joint venture, from a majority interest of under 60% to a minority interest of 49.6% in exchange for \$1.0 million in cash. We also removed certain participating rights with ASL related to capital allocation and certain of our decision making rights, resulting in a loss of control. Therefore, in accordance with ASC 810, ASL was deconsolidated from our consolidated financial statements resulting in the recognition of a \$58.9 million gain for the year ended December 31, 2023. Effective December 1, 2023, our investment in ASL is accounted for under the equity method of accounting.

Loss on Divestitures

During the year ended December 31, 2023, we recognized a loss on the sale of businesses of \$19.1 million. We determined the sale of the businesses did not meet the criteria for classification as discontinued operations. We received \$21.1 million of proceeds, which are net of transaction fees and holdbacks.

Income from Unconsolidated Investments

Income from unconsolidated investments increased by \$5.3 million for the year ended December 31, 2023 due to the net income attributable from our unconsolidated affiliates as a result of the deconsolidation of ASL. Subsequent to the deconsolidation of ASL, we anticipate that over the next few years these investments will become a growing source of income and operating cash flows. For additional information see *Item 8. Financial Statements And Supplementary Data — Note 10. Investments*.

Operating Income (Loss)

(amounts in thousands)	Year Ended December 31,		\$	Change	%
	2023	2022			
Sales	\$ 38,443	\$ (1,323,192)	\$ 1,361,635		102.9%
Marketing	37,747	(116,214)	153,961		132.5%
Total operating income (loss)	<u>\$ 76,190</u>	<u>\$ (1,439,406)</u>	<u>\$ 1,515,596</u>		<u>105.3%</u>

The change in operating income (loss) was primarily attributable to the non-cash goodwill and non-cash intangible asset impairment charges in the prior year and the gain on deconsolidation of ASL, partially offset by the charges in selling, general and administrative expenses and non-cash intangible asset impairment charges as described above.

Change in Fair Value of Warrant Liability

Change in fair value of warrant liability represents \$0.3 million of non-cash gain resulting from a fair value adjustment to the warrant liability for the private placement warrants for the year ended December 31, 2023.

Interest Expense, Net

Interest expense, net increased \$61.3 million, or 58.7%, to \$165.8 million for the year ended December 31, 2023, from \$104.5 million for the year ended December 31, 2022. The increase in interest expense, net was primarily due to the higher interest rates and a decrease in fair value in our derivative instruments, partially offset by gains associated with the repurchases of Term Loan Facility and Second Term debt for the year ended December 31, 2023.

Benefit from Income Taxes

Benefit from income taxes was \$29.0 million for the year ended December 31, 2023 as compared to a benefit from income taxes of \$145.3 million for the year ended December 31, 2022. The fluctuation was primarily attributable to the decrease in pre-tax loss for the year ended December 31, 2023 as compared to the year ended December 31, 2022. In addition, the variance is explained by the non-cash goodwill impairment charge for the year ended December 31, 2022 and the deconsolidation of our European joint venture for the year ended December 31, 2023.

Net Loss

Net loss was \$60.3 million for the year ended December 31, 2023, compared to net loss of \$1,377.3 million for the year ended December 31, 2022. The decrease in net loss was driven by the increase in operating income partially offset by the increase in interest expense as described above.

Adjusted Net Income

The decrease in Adjusted Net Income for the year ended December 31, 2023 was attributable to the decrease in Adjusted EBITDA as described below coupled with the increase in interest expense. For a reconciliation of Adjusted Net Income to Net loss, see “—Non-GAAP Financial Measures”.

Adjusted EBITDA and Adjusted EBITDA by Segment

(amounts in thousands)	Year Ended December 31,				\$	%
	2023	2022		Change		
Sales	\$ 265,255	\$ 294,234	\$ (28,979)			(9.8%)
Marketing	159,092	141,761	17,331			12.2%
Total Adjusted EBITDA	\$ 424,347	\$ 435,995	\$ (11,648)			(2.7%)

Adjusted EBITDA decreased \$11.6 million, or 2.7% to \$424.3 million for the year ended December 31, 2023, from \$436.0 million for the year ended December 31, 2022.

In the sales segment, the decrease in Adjusted EBITDA during the year ended December 31, 2023 was primarily attributable to decline in revenues and increase in cost of revenues, largely due to inflationary pressures, increase in incentive compensation and technology expenses.

In the marketing segment, the increase in Adjusted EBITDA during the year ended December 31, 2023 was primarily attributable to the growth in revenues from the in-store sampling and demonstration services as described above, partially offset by headwinds in our higher-margin digital services.

For a reconciliation of Adjusted EBITDA to net income (loss), see “—Non-GAAP Financial Measures.”

Non-GAAP Financial Measures

Adjusted Net Income is a non-GAAP financial measure. Adjusted Net Income means net (loss) income before (i) amortization of intangible assets, (ii) impairment of goodwill and indefinite-lived assets (iii) gain on deconsolidation of subsidiaries, (iv) loss on divestitures (v) equity-based compensation of Karman Topco L.P., (vi) changes in fair value of warrant liability, (vii) fair value adjustments of contingent consideration related to acquisitions, (viii) acquisition and divestiture related expenses, (ix) costs associated with COVID-19, net of benefits received, (x) net income attributable to noncontrolling interest, (xi) reorganization expenses, (xii) litigation expenses, (xiii) gain on repurchases of Term Loan Facility and Senior Secured Notes debt, (xiv) deferred financing fees, (xv) recovery from and costs associated with the Take 5 Matter, (xvi) other adjustments that management believes are helpful in evaluating our operating performance, and (xvii) related tax adjustments.

We present Adjusted Net Income because we use it as a supplemental measure to evaluate the performance of our business in a way that also considers our ability to generate profit without the impact of items that we do not believe are indicative of our operating performance or are unusual or infrequent in nature and aid in the comparability of our performance from period to period. Adjusted Net Income should not be considered as an alternative for our net (loss) income, our most directly comparable measure presented on a GAAP basis.

A reconciliation of Adjusted Net Income to Net (loss) income is provided in the following table:

	Year Ended December 31,		
	2023	2022	2021
(in thousands)			
Net (loss) income	\$ (60,318)	\$ (1,377,292)	\$ 57,549
Less: Net income attributable to noncontrolling interest	2,940	3,210	3,055
Add:			
Impairment of goodwill and indefinite-lived assets	43,500	1,572,523	—
Gain on deconsolidation of subsidiaries	(58,891)	—	—
Loss on divestitures	19,068	2,863	—
Change in fair value of warrant liability	(286)	(21,236)	955
Equity-based compensation of Karman Topco L.P. ^(a)	(2,524)	(6,934)	(10,313)
Fair value adjustments related to contingent consideration related to acquisitions ^(b)	10,362	4,774	4,562
Acquisition and divestiture related expenses ^(c)	7,024	21,039	20,173
Reorganization expenses ^(d)	57,021	6,094	12,502
Litigation expenses (recovery) ^(e)	9,519	5,357	(910)
Amortization of intangible assets ^(f)	196,424	200,836	198,946
Costs associated with COVID-19, net of benefits received ^(g)	3,283	7,208	(991)
Deferred financing fees ^(h)	—	—	3,895
Gain on repurchases of Term Loan Facility and Senior Secured Notes debt ⁽ⁱ⁾	(8,665)	—	—
(Recovery from) costs associated with the Take 5 Matter ^(j)	(1,380)	2,465	4,901
Tax adjustments related to non-GAAP adjustments ^(k)	(87,363)	(207,888)	(64,421)
Adjusted Net Income	\$ 123,834	\$ 206,599	\$ 223,793

Adjusted EBITDA and Adjusted EBITDA by segment are supplemental non-GAAP financial measures of our operating performance. Adjusted EBITDA means net loss before (i) interest expense, net, (ii) (benefit from) provision for income taxes, (iii) depreciation, (iv) impairment of goodwill and indefinite-lived assets, (v) amortization of intangible assets, (vi) gain on deconsolidation of subsidiaries, (vii) loss on divestitures, (viii) equity-based compensation of Karman Topco L.P., (ix) changes in fair value of warrant liability, (x) stock-based compensation expense, (xi) fair value adjustments of contingent consideration related to acquisitions, (xii) acquisition and divestiture related expenses, (xiii) costs associated with COVID-19, net of benefits received, (xiv) EBITDA for economic interests in investments, (xv) reorganization expenses, (xvi) litigation expenses, (xvii) recovery from and costs associated with the Take 5 Matter and (xviii) other adjustments that management believes are helpful in evaluating our operating performance.

We present Adjusted EBITDA and Adjusted EBITDA by segment because they are key operating measures used by us to assess our financial performance. These measures adjust for items that we believe do not reflect the ongoing operating performance of our business, such as certain non-cash items, unusual or infrequent items or items that change from period to period without any material relevance to our operating performance. We evaluate these measures in conjunction with our results according to GAAP because we believe they provide a more complete understanding of factors and trends affecting our business than GAAP measures alone. Furthermore, the agreements governing our indebtedness contain covenants and other tests based on measures substantially similar to Adjusted EBITDA. Neither Adjusted EBITDA nor Adjusted EBITDA by segment should be considered as an alternative for our net

(loss) income or operating (loss) income, respectively, our most directly comparable measures presented on a GAAP basis. Non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Additionally, other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore our non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

A reconciliation of Adjusted EBITDA to Net (loss) income is provided in the following table:

Consolidated (in thousands)	Year Ended December 31,		
	2023	2022	2021
Net (loss) income	\$ (60,318)	\$ (1,377,292)	\$ 57,549
Add:			
Interest expense, net	165,802	104,459	137,927
(Benefit) provision for income taxes	(29,008)	(145,337)	33,617
Depreciation and amortization	224,697	233,075	240,041
Impairment of goodwill and indefinite-lived assets	43,500	1,572,523	—
Gain on deconsolidation of subsidiaries, net	(58,891)	—	—
Loss on divestitures	19,068	2,863	—
Change in fair value of warrant liability	(286)	(21,236)	955
Equity-based compensation of Karman Topco L.P. ^(a)	(2,524)	(6,934)	(10,313)
Fair value adjustments related to contingent consideration related to acquisitions ^(b)	10,362	4,774	4,562
Acquisition and divestiture related expenses ^(c)	7,024	21,039	20,173
Reorganization expenses ^(d)	57,021	6,094	12,502
Litigation expenses (recovery) ^(e)	9,519	5,357	(910)
Costs associated with COVID-19, net of benefits received ^(g)	3,283	7,208	(991)
(Recovery from) costs associated with the Take 5 Matter ⁽ⁱ⁾	(1,380)	2,465	4,901
Stock-based compensation expense ^(l)	42,880	39,825	34,602
EBITDA for economic interests in investments ^(m)	(6,402)	(12,888)	(13,437)
Adjusted EBITDA	<u>\$ 424,347</u>	<u>\$ 435,995</u>	<u>\$ 521,178</u>

Financial information by segment, including a reconciliation of Adjusted EBITDA by segment to operating (loss) income, the closest GAAP financial measure, is provided in the following table:

Sales Segment (in thousands)	Year Ended December 31,		
	2023	2022	2021
Operating (loss) income	\$ 38,443	\$ (1,323,192)	\$ 182,529
Add:			
Depreciation and amortization	154,891	161,385	170,076
Impairment of goodwill and indefinite-lived assets	43,500	1,421,719	—
Gain on deconsolidation of subsidiaries	(58,891)	—	—
Loss on divestitures	14,911	2,863	—
Equity-based compensation of Karman Topco L.P. ^(a)	(1,270)	(3,721)	(6,490)
Fair value adjustments related to contingent consideration related to acquisitions ^(b)	6,616	550	(6,553)
Acquisition and divestiture related expenses ^(c)	4,887	11,679	13,945
Reorganization expenses ^(d)	36,853	4,826	4,478
Litigation expenses (recovery) ^(e)	6,860	6,057	(584)
Costs associated with COVID-19, net of benefits received ^(g)	369	1,412	1,511
Stock-based compensation expense ^(l)	23,850	24,025	18,357
EBITDA for economic interests in investments ^(m)	(5,764)	(13,369)	(14,058)
Sales Segment Adjusted EBITDA	<u>\$ 265,255</u>	<u>\$ 294,234</u>	<u>\$ 363,211</u>

Marketing Segment (in thousands)	Year Ended December 31,		
	2023	2022	2021
Operating (loss) income	\$ 37,747	\$ (116,214)	\$ 47,519
Add:			
Depreciation and amortization	69,806	71,690	69,965
Impairment of goodwill and indefinite-lived assets	—	150,804	—
Loss on divestitures	4,157	—	—
Equity-based compensation of Karman Topco L.P. ^(a)	(1,254)	(3,213)	(3,823)
Fair value adjustments related to contingent consideration related to acquisitions ^(b)	3,746	4,224	11,115
Acquisition and divestiture related expenses ^(c)	2,137	9,360	6,228
Reorganization expenses ^(d)	20,168	1,268	8,024
Litigation expenses (recovery) ^(e)	2,659	(700)	(326)
Costs associated with COVID-19, net of benefits received ^(g)	2,914	5,796	(2,502)
(Recovery from) costs associated with the Take 5 Matter ⁽ⁱ⁾	(1,380)	2,465	4,901
Stock-based compensation expense ^(l)	19,030	15,800	16,245
EBITDA for economic interests in investments ^(m)	(638)	481	621
Marketing Segment Adjusted EBITDA	\$ <u>159,092</u>	\$ <u>141,761</u>	\$ <u>157,967</u>

(a) Represents expenses related to (i) equity-based compensation expense associated with grants of Common Series D Units of Topco made to one of the Advantage Sponsors, and (ii) equity-based compensation expense associated with the Common Series C Units of Topco.

(b) Represents adjustments to the estimated fair value of our contingent consideration liabilities related to our acquisitions, for the applicable periods. See Note 6—*Other Liabilities* to our audited consolidated financial statements for the year ended December 31, 2023.

(c) Represents fees and costs associated with activities related to our acquisitions, divestitures, and related reorganization activities, including professional fees, due diligence, and integration activities.

(d) Represents fees and costs associated with various internal reorganization activities, including professional fees, lease exit costs, severance, and nonrecurring compensation costs.

(e) Represents legal settlements, reserves, and expenses that are unusual or infrequent costs associated with our operating activities.

(f) Represents the amortization of intangible assets recorded in connection with the 2014 Topco Acquisition and our other acquisitions.

(g) Represents (i) costs related to implementation of strategies for workplace safety in response to COVID-19, including employee-relief fund, additional sick pay for front-line associates, medical benefit payments for furloughed associates, and personal protective equipment; and (ii) benefits received from government grants for COVID-19 relief.

(h) Represents fees associated with the issuance of the indebtedness associated with our material debt agreements and the amendment of our term loan credit facility. For additional information, refer to Note 7—*Debt* of our audited consolidated financial statements for the year ended December 31, 2023.

(i) Represents a gain associated with the repurchases of Term Loan Facility and Senior Secured Note debt. For additional information, refer to Note 7—*Debt* of our audited consolidated financial statements for the year ended December 31, 2023.

(j) Represents cash receipts from an insurance policy for claims related to the Take 5 Matter and costs associated with investigation and remediation activities related to the Take 5 Matter, primarily, professional fees and other related costs.

(k) Represents the tax provision or benefit associated with the adjustments above, taking into account the Company's applicable tax rates, after excluding adjustments related to items that do not have a related tax impact.

(l) Represents non-cash compensation expense related to PSUs, RSUs, and stock options under the 2020 Plan and the Advantage Solutions 2020 Employee Stock Purchase Plan.

(m) Represents additions to reflect our proportional share of Adjusted EBITDA related to our equity method investments and reductions to remove the Adjusted EBITDA related to the minority ownership percentage of the entities that we fully consolidate in our financial statements.

Liquidity and Capital Resources

Our principal sources of liquidity were cash flows from operations, borrowings under the Revolving Credit Facility, and other debt. Our principal uses of cash are operating expenses, working capital requirements, acquisitions, interest on debt and repayment of debt.

Share Repurchase Program

On November 9, 2021, we announced that our board of directors authorized the 2021 Share Repurchase Program pursuant to which we may repurchase up to \$100 million of our Class A common stock.

The 2021 Share Repurchase Program does not have an expiration date but provides for suspension or discontinuation at any time. The 2021 Share Repurchase Program permits the repurchase of our Class A common stock on the open market and in other means from time to time. The timing and amount of any share repurchase is subject to prevailing market conditions, relevant securities laws and other considerations, and we are under no obligation to repurchase any specific number of shares.

During the year ended December 31, 2023, we executed open market purchases of \$6.4 million of our Class A common stock under the 2021 Share Repurchase Program. As of December 31, 2023, there remained \$81.1 million of share repurchase availability under the 2021 Share Repurchase Program as of December 31, 2023. In December 2023, the Company entered into a trading plan under Rule 10b5-1 of the Exchange Act authorizing the repurchase of shares of the Company's Class A common stock. No stock repurchases were made pursuant to this plan for the year ended December 31, 2023.

We anticipate that our cash from operations, together with our current borrowing capacity, will be sufficient to fund purchases of our Class A common stock pursuant to the 2021 Share Repurchase Program and pay principal and interest as it comes due under our debt arrangements.

Cash Flows

A summary of cash provided by or used in our operating, investing and financing activities are shown in the following table:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Net cash provided by operating activities	\$ 238,995	\$ 121,258	\$ 125,991
Net cash used in investing activities	(55,223)	(113,540)	(75,843)
Net cash used in financing activities	(181,338)	(41,644)	(86,300)
Net effect of foreign currency fluctuations on cash	1,876	(8,179)	(3,177)
Net change in cash, cash equivalents and restricted cash	<u>\$ 4,310</u>	<u>\$ (42,105)</u>	<u>\$ (39,329)</u>

Net Cash Provided by Operating Activities

Net cash provided by operating activities during the year ended December 31, 2023, consisted of net loss of \$60.3 million adjusted for certain non-cash items, including depreciation and amortization of \$224.7 million, impairment charge of \$43.5 million, loss on divestitures of \$19.1 million, gain on deconsolidation of subsidiaries of \$58.9 million, gain on repurchases of Term Loan Facility and Senior Secured Notes debt of \$8.7 million, and effects of changes in working capital. Net cash provided by operating activities during the year ended December 31, 2022, consisted of net loss of \$1,377.3 million adjusted for certain non-cash items, including depreciation and amortization of \$233.1 million and effects of changes in working capital. The increase in cash provided by operating activities during the year ended December 31, 2023 relative to the same period in 2022 was primarily due to the increased need for working capital requirements to stand up our services during the year ended December 31, 2022.

Net Cash Used in Investing Activities

For the years ended December 31, 2023 and 2022, our net cash used in investing activities primarily consisted of the purchase of property and equipment of \$46.3 million and \$40.5 million, respectively. For the year ended December 31, 2023 our net cash used in investing activities included the deconsolidation of subsidiaries, net of proceeds of \$31.5 million, partially offset by proceeds from divestitures of \$21.1 million. Additionally, we invest cash for the purchase of property and equipment to support our employee and overall growth in our business. We expect that we will make additional capital expenditures and investments in the future to support the future growth of our business including our enterprise resource planning software.

Net Cash Used in Financing Activities

We primarily finance our business initiatives through cash flows from operations, however, we also incur long-term debt or borrow under lines of credit when necessary to execute acquisitions. Cash flows from financing activities consisted of borrowings related to these lines of credit and subsequent payments of principal and financing fees. Additionally, many of our acquisition agreements include contingent consideration arrangements, which are generally based on the achievement of future financial performance by the operations attributable to the acquired companies. The portion of the cash payment up to the acquisition date fair

value of the contingent consideration liability are classified as financing outflows, and amounts paid in excess of the acquisition date fair value of that liability are classified as operating outflows. From time to time, we may voluntarily repurchase our long-term debt to deploy capital that deleverages our balance sheet while generating a favorable rate of return.

Cash flows used in financing activities during the year ended December 31, 2023 were primarily related to repurchases of Term Loan Facility and Senior Secured Notes debt of \$156.6 million, repayment of principal on our Term Loan Facility of \$13.6 million, payments of contingent consideration and holdback payments of \$6.8 million, and open market purchases of \$6.4 million of our Class A common stock under the 2021 Share Repurchase Program. This was partially offset by \$1.3 million of proceeds from a government loan for COVID-19 relief and \$2.2 million related to proceeds from shares issued under the 2020 Employee Stock Purchase Plan.

Cash flows used in financing activities during the year ended December 31, 2022 were primarily related to payments of contingent consideration and holdback payments of \$34.2 million, repayment of principal on our Term Loan Facility of \$13.4 million, partially offset by \$3.3 million related to our 2020 Employee Stock Purchase Plan and \$5.2 million of contribution from noncontrolling interest.

Description of Credit Facilities

Senior Secured Credit Facilities

Effective October 28, 2020, Advantage Sales & Marketing Inc., an indirect wholly-owned subsidiary of the Company (the "Borrower"), entered into the Senior Secured Credit Facilities consisting of (i) the Revolving Credit Facility, which is a senior secured asset-based revolving credit facility in an aggregate principal amount of up to \$400.0 million, subject to borrowing base capacity and (ii) the Term Loan Facility, which is a secured first lien term loan credit facility in an aggregate principal amount of \$1.325 billion.

Revolving Credit Facility

Our Revolving Credit Facility provides for revolving loans and letters of credit in an aggregate amount of up to \$500.0 million, subject to borrowing base capacity. Letters of credit are limited to the lesser of (a) \$150.0 million and (b) the aggregate unused amount of commitments under our Revolving Credit Facility then in effect. Loans under the Revolving Credit Facility may be denominated in either U.S. dollars or Canadian dollars. Bank of America, N.A. ("Bank of America"), will act as administrative agent and collateral agent. The Revolving Credit Facility matures five years after the date we enter into the Revolving Credit Facility. We may use borrowings under the Revolving Credit Facility to fund working capital and for other general corporate purposes, including permitted acquisitions and other investments.

Borrowings under the Revolving Credit Facility are limited by borrowing base calculations based on the sum of specified percentages of eligible accounts receivable plus specified percentages of qualified cash, minus the amount of any applicable reserves. Borrowings will bear interest at a floating rate, which can be either an adjusted Term SOFR or Alternative Currency Spread rate plus an applicable margin or, at the Borrower's option, a base rate or Canadian Prime Rate plus an applicable margin. The applicable margins for the Revolving Credit Facility are 1.75%, 2.00% or 2.25%, with respect to Term SOFR or Alternative Currency Spread rate borrowings and 0.75%, 1.00%, or 1.25%, with respect to base rate or Canadian Prime Rate borrowings, in each case depending on average excess availability under the Revolving Credit Facility. The Borrower's ability to draw under the Revolving Credit Facility or issue letters of credit thereunder will be conditioned upon, among other things, the Borrower's delivery of prior written notice of a borrowing or issuance, as applicable, the Borrower's ability to reaffirm the representations and warranties contained in the credit agreement governing the Revolving Credit Facility and the absence of any default or event of default thereunder.

The Borrower's obligations under the Revolving Credit Facility are guaranteed by Karman Intermediate Corp. ("Holdings") and all of the Borrower's direct and indirect wholly owned material U.S. subsidiaries (subject to certain permitted exceptions) and Canadian subsidiaries (subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets and revenues of Canadian subsidiaries) (the "Guarantors"). The Revolving Credit Facility is secured by a lien on substantially all of Holdings', the Borrower's and the Guarantors' assets (subject to certain permitted exceptions). The Borrower's Revolving Credit Facility has a first-priority lien on the current asset collateral and a second-priority lien on security interests in the fixed asset collateral (second in priority to the liens securing the Notes and the Term Loan Facility discussed below), in each case, subject to other permitted liens.

The Revolving Credit Facility has the following fees: (i) an unused line fee of 0.375% or 0.250% per annum of the unused portion of the Revolving Credit Facility, depending on average excess availability under the Revolving Credit Facility; (ii) a letter of credit participation fee on the aggregate stated amount of each letter of credit equal to the applicable margin for adjusted Eurodollar rate loans, as applicable; and (iii) certain other customary fees and expenses of the lenders and agents thereunder.

The Revolving Credit Facility contains customary covenants, including, but not limited to, restrictions on the Borrower's ability and that of our subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, make acquisitions, loans, advances or investments, pay dividends, sell or otherwise transfer assets, optionally prepay or modify terms of any junior indebtedness, enter into transactions with affiliates or change our line of business. The Revolving Credit Facility will require the maintenance of a fixed charge coverage ratio (as set forth in the credit agreement governing the Revolving Credit Facility) of 1.00 to 1.00 at the end of each fiscal quarter when excess availability is less than the greater of \$25 million and 10% of the lesser of the borrowing base and maximum borrowing capacity. Such fixed charge coverage ratio will be tested at the end of each quarter until such time as excess availability exceeds the level set forth above.

The Revolving Credit Facility provides that, upon the occurrence of certain events of default, the Borrower's obligations thereunder may be accelerated and the lending commitments terminated. Such events of default include payment defaults to the lenders thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness, voluntary and involuntary bankruptcy, insolvency, corporate arrangement, winding-up, liquidation or similar proceedings, material money judgments, material pension-plan events, certain change of control events and other customary events of default.

On October 28, 2021, the Borrower and Holdings entered into the First Amendment to ABL Revolving Credit Agreement, which amended the ABL Revolving Credit Agreement, dated October 28, 2020, by and among the Borrower, Holdings, the lenders from time to time party thereto and Bank of America, as administrative agent (the "Prior Revolving Credit Facility"). This amendment was entered into by the Borrower to amend certain terms and provisions, including (i) reducing the interest rate floor for Eurocurrency rate loans from 0.50% to 0.00% and base rate loans from 1.50% to 1.00%, and (ii) updating the provisions by which U.S. Dollar LIBOR will eventually be replaced with SOFR or another interest rate benchmark to reflect the most recent standards and practices used in the industry.

On December 2, 2022, Borrower, Holdings and certain of the Borrower's subsidiaries, entered into the Second Amendment to ABL Revolving Credit Agreement (the "Second Amendment"), which amends the Revolving Credit Agreement, by and among the Borrower, Holdings, the lenders from time to time party thereto and Bank of America, as administrative agent, and the other parties thereto. The Second Amendment was entered into by the Borrower to amend certain terms and provisions of the Second Agreement, including, among other things: (i) increasing the aggregate amount of maximum revolving commitments available from \$400 million to \$500 million; (ii) replacing the Eurocurrency Rate interest rate metric with a metric based on Term SOFR (as defined in the Second Amendment), whereby applicable borrowings in United States dollars will bear interest at a floating rate based on Term SOFR plus an applicable margin; (iii) reducing each applicable interest rate pricing tier based on the Average Historical Excess Availability (as defined therein) with respect to Term SOFR borrowings, Alternative Currency borrowings, base rate borrowings and Canadian Prime Rate borrowings, in each case for each pricing tier by 0.25% per annum; and (iv) extending the scheduled maturity date of the borrowings to December 2, 2027.

Term Loan Facility

The Term Loan Facility consists of a term loan credit facility denominated in U.S. dollars in an aggregate principal amount of \$1.149 billion. Borrowings under the Term Loan Facility amortize in equal quarterly installments in an amount equal to 1.00% per annum of the principal amount. Borrowings will bear interest at a floating rate of Term SOFR plus an applicable margin of 4.50% per annum, subject to additional spread adjustment on SOFR ranging from 0.11% to 0.26%.

The Borrower may voluntarily prepay loans or reduce commitments under the Term Loan Facility, in whole or in part, subject to minimum amounts, with prior notice but without premium or penalty.

The Borrower will be required to prepay the Term Loan Facility with 100% of the net cash proceeds of certain asset sales (such percentage subject to reduction based on the achievement of specific first lien net leverage ratios) and subject to certain reinvestment rights, 100% of the net cash proceeds of certain debt issuances and 50% of excess cash flow (such percentage subject to reduction based on the achievement of specific first lien net leverage ratios).

The Borrower's obligations under the Term Loan Facility are guaranteed by Holdings and the Guarantors. Our Term Loan Facility is secured by a lien on substantially all of Holdings', the Borrower's and the Guarantors' assets (subject to certain permitted exceptions). The Term Loan Facility has a first- priority lien on the fixed asset collateral (equal in priority with the liens securing the Notes) and a second-priority lien on security interests in the current asset collateral (second in priority to the liens securing the Revolving Credit Facility), in each case, subject to other permitted liens.

The Term Loan Facility contains certain customary negative covenants, including, but not limited to, restrictions on the Borrower's ability and that of our restricted subsidiaries to merge and consolidate with other companies, incur indebtedness, grant

liens or security interests on assets, pay dividends or make other restricted payments, sell or otherwise transfer assets or enter into transactions with affiliates.

The Term Loan Facility provides that, upon the occurrence of certain events of default, the Borrower's obligations thereunder may be accelerated. Such events of default will include payment defaults to the lenders thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness, voluntary and involuntary bankruptcy, insolvency, corporate arrangement, winding-up, liquidation or similar proceedings, material money judgments, change of control and other customary events of default.

On October 28, 2021, the Borrower, Holdings, and certain of the Borrower's subsidiaries, entered into Amendment No. 1 to the First Lien Credit Agreement (the "First Lien Amendment"), which amended the First Lien Credit Agreement, dated October 28, 2020, by and among the Borrower, Holdings, Bank of America, as administrative agent and collateral agent, each lender party from time-to-time thereto, and the other parties thereto. The First Lien Amendment was entered into by the Borrower to reduce the applicable interest rate on the term loan to 5.25% per annum, resulting in estimated interest savings of approximately \$9.9 million or \$7.3 million, net of tax, per annum. Additional terms and provisions amended include (i) resetting the period for six months following October 28, 2021 in which a 1.00% prepayment premium shall apply to any prepayment of the term loan in connection with certain repricing events, and (ii) updating the provisions by which U.S. Dollar LIBOR will eventually be replaced with SOFR or another interest rate benchmark to reflect the most recent standards and practices used in the industry and by Bank of America. In May 2023 the Company amended the Term Loan Facility to replace the U.S. Dollar LIBOR provisions with SOFR, effective June 30, 2023.

Senior Secured Notes

Effective as of October 28, 2020, Advantage Solutions FinCo LLC ("Finco") issued \$775.0 million aggregate principal amount of 6.50% Senior Secured Notes due 2028 (the "Notes"). Substantially concurrently with the issuance, Finco merged with and into Advantage Sales & Marketing Inc. (the "Issuer"), with the Issuer continuing as the surviving entity and assuming the obligations of Finco. The Notes were sold to certain financial institutions that then resold the Notes to certain non-U.S. persons pursuant to Regulation S under the Securities Act, and to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act at a purchase price equal to 100% of their principal amount. The terms of the Notes are governed by an Indenture, dated as of October 28, 2020 (the "Indenture"), among Finco, the Issuer, the guarantors named therein (the "Notes Guarantors") and Wilmington Trust, National Association, as trustee and collateral agent.

Interest and maturity

Interest on the Notes is payable semi-annually in arrears on May 15 and November 15 at a rate of 6.50% per annum, commencing on May 15, 2021. The Notes will mature on November 15, 2028.

Guarantees

The Notes are guaranteed by Holdings and each of the Issuer's direct and indirect wholly owned material U.S. subsidiaries (subject to certain permitted exceptions) and Canadian subsidiaries (subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets and revenues of Canadian subsidiaries) that is a borrower or guarantor under the Term Loan Facility.

Security and ranking

The Notes and the related guarantees are the general, senior secured obligations of the Issuer and the Notes Guarantors, are secured on a first-priority *pari passu* basis by security interests on the fixed asset collateral (equal in priority with liens securing the Term Loan Facility), and are secured on a second-priority basis by security interests on the current asset collateral (second in priority to the liens securing the Revolving Credit Facility and equal in priority with liens securing the Term Loan Facility), in each case, subject to certain limitations and exceptions and permitted liens.

The Notes and related guarantees rank (i) equally in right of payment with all of the Issuer's and the Guarantors' senior indebtedness, without giving effect to collateral arrangements (including the Senior Secured Credit Facilities) and effectively equal to all of the Issuer's and the Guarantors' senior indebtedness secured on the same priority basis as the Notes, including the Term Loan Facility, (ii) effectively subordinated to any of the Issuer's and the Guarantors' indebtedness that is secured by assets that do not constitute collateral for the Notes to the extent of the value of the assets securing such indebtedness and to indebtedness that is secured by a senior-priority lien, including the Revolving Credit Facility to the extent of the value of the current asset collateral and (iii) structurally subordinated to the liabilities of the Issuer's non-Guarantor subsidiaries.

Optional redemption for the Notes

The Notes are redeemable at the applicable redemption prices specified in the Indenture plus accrued and unpaid interest. If the Issuer or its restricted subsidiaries sell certain of their respective assets or experience specific kinds of changes of control, subject to certain exceptions, the Issuer must offer to purchase the Notes at par. In connection with any offer to purchase all Notes, if holders of no less than 90% of the aggregate principal amount of Notes validly tender their Notes, the Issuer is entitled to redeem any remaining Notes at the price offered to each holder. The Issuer may voluntarily prepay loans or reduce commitments under the Notes, in whole or in part without premium or penalty.

Restrictive covenants

The Notes are subject to covenants that, among other things limit the Issuer's ability and its restricted subsidiaries' ability to: incur additional indebtedness or guarantee indebtedness; pay dividends or make other distributions in respect of, or repurchase or redeem, the Issuer's or a parent entity's capital stock; prepay, redeem or repurchase certain indebtedness; issue certain preferred stock or similar equity securities; make loans and investments; sell or otherwise dispose of assets; incur liens; enter into transactions with affiliates; enter into agreements restricting the Issuer's subsidiaries' ability to pay dividends; and consolidate, merge or sell all or substantially all of the Issuer's assets. Most of these covenants will be suspended on the Notes when they have investment grade ratings from both Moody's Investors Service, Inc. and S&P Global Ratings and so long as no default or event of default under the Indenture has occurred and is continuing.

Events of default

The following constitute events of default under the Notes, among others: default in the payment of interest; default in the payment of principal; failure to comply with covenants; failure to pay other indebtedness after final maturity or acceleration of other indebtedness exceeding a specified amount; certain events of bankruptcy; failure to pay a judgment for payment of money exceeding a specified aggregate amount; voidance of subsidiary guarantees; failure of any material provision of any security document or intercreditor agreement to be in full force and effect; and lack of perfection of liens on a material portion of the collateral, in each case subject to applicable grace periods.

Future Cash Requirements

The following summarizes future cash requirements as of December 31, 2023:

	Total	Current	Long-Term
(in thousands)			
Operating lease liabilities ⁽¹⁾	\$ 50,645	\$ 15,204	\$ 35,441
Client deposits ⁽²⁾	11,516	11,516	—
Total debt excluding deferred issuance costs ⁽³⁾	1,897,455	13,580	1,883,875
Other long-term liabilities on the consolidated balance sheets			
Contingent consideration ⁽⁴⁾	18,472	18,355	117
Unpaid claims ⁽⁵⁾	71,849	36,824	35,025
Total contractual obligations	\$ 2,049,937	\$ 95,479	\$ 1,954,458

(1) Refer to Note 8 — *Leases* of our audited consolidated financial statements for the year ended December 31, 2023 for additional information regarding the maturity of operating lease liabilities.

(2) Represents payments collected from our clients, primarily, associated with market development funds that arise out of our business.

(3) We have an aggregate principal amount of \$1.149 billion borrowing on the Term Loan Facility, which bears the applicable interest rate of 5.25% per annum, and \$743.0 million in Senior Secured Notes, which is subject to a fixed interest rate of 6.5%. Refer to Note 7 — *Debt* of our audited consolidated financial statements for the year ended December 31, 2023 for additional information regarding the maturities of debt principal. Total debt excluding deferred issuance costs does not include the obligation of future interest payments.

(4) Refer to Note 6 — *Other Liabilities* of our audited consolidated financial statements for the year ended December 31, 2023 for additional information regarding the contingent consideration liabilities.

(5) Represents \$63.0 million of an estimated liability under our workers' compensation programs for claims incurred but unpaid and \$8.9 million of employee insurance reserves as of December 31, 2023.

Cash and Cash Equivalents Held Outside the United States

As of December 31, 2023 and 2022, \$43.8 million and \$81.8 million, respectively, of our cash and cash equivalents were held by foreign subsidiaries. The decrease in cash and cash equivalents held by foreign subsidiaries during the year ended December 31, 2023 was due to the deconsolidation of ASL. As of December 31, 2023 and 2022, \$30.4 million and \$28.1 million, respectively, of our cash and cash equivalents were held by foreign branches.

We assessed our determination as to our indefinite reinvestment intent for certain of our foreign subsidiaries and recorded a deferred tax liability of approximately \$0.4 million of withholding tax as of December 31, 2023 for unremitted earnings in Canada with respect to which we do not have an indefinite reinvestment assertion. We will continue to evaluate our cash needs, however we currently do not intend, nor do we foresee a need, to repatriate funds from the foreign subsidiaries except for Canada. We have continued to assert indefinite reinvestment on all other earnings as it is necessary for continuing operations and to grow the business. If at a point in the future our assertion changes, we will evaluate tax-efficient means to repatriate the income. In addition, we expect existing domestic cash and cash flows from operations to continue to be sufficient to fund our domestic operating activities and cash commitments for investing and financing activities, such as debt repayment and capital expenditures, for at least the next 12 months and thereafter for the foreseeable future. If we should require more capital in the United States than is generated by our domestic operations, for example, to fund significant discretionary activities such as business acquisitions or to settle debt, we could elect to repatriate future earnings from foreign jurisdictions. These alternatives could result in higher income tax expense or increased interest expense. We consider the majority of the undistributed earnings of our foreign subsidiaries, as of December 31, 2023, to be indefinitely reinvested and, accordingly, no provision has been made for taxes in excess of the \$0.4 million noted above.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets or any obligation arising out of a material variable interest in an unconsolidated entity. We do not have any majority-owned subsidiaries that are not included in our consolidated financial statements. Additionally, we do not have an interest in, or relationships with, any special-purpose entities.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions about future events that affect amounts reported in our consolidated financial statements and related notes, as well as the related disclosure of contingent assets and liabilities at the date of the financial statements. We evaluate our accounting policies, estimates and judgments on an on-going basis. We base our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions.

We evaluated the development and selection of our critical accounting policies and estimates and believe that the following involve a higher degree of judgment or complexity and are most significant to reporting our results of operations and financial position, and are therefore discussed as critical. The following critical accounting policies reflect the significant estimates and judgments used in the preparation of our consolidated financial statements. With respect to critical accounting policies, even a relatively minor variance between actual and expected experience can potentially have a materially favorable or unfavorable impact on subsequent results of operations. More information on all of our significant accounting policies can be found in the footnotes to our audited consolidated financial statements included elsewhere in this Annual Report.

Revenue Recognition

We recognize revenues when control of promised goods or services are transferred to the client in an amount that reflects the consideration that we expect to be entitled to in exchange for such goods or services. Substantially all of our contracts with clients involve the transfer of a service to the client, which represents the performance obligation that is satisfied over time because the client simultaneously receives and consumes the benefits of the services provided. In most cases, the contracts include a performance obligation that is comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (*i.e.*, distinct days of service). We allocate variable consideration to each period of service to which it relates.

Revenues related to the sales segment are primarily recognized in the form of commissions, fee-for-service or on a cost-plus basis for providing headquarter relationship management, analytics, insights and intelligence services, administrative services, retail services, retailer client relationships and in-store media programs and digital technology solutions (which include our business intelligence solutions, e-commerce services and content services).

Marketing segment revenues are primarily recognized in the form of a fee-for-service (including retainer fees, fees charged to clients based on hours incurred, project-based fees or fees for executing in-person consumer engagements or experiences, which engagements or experiences we refer to as events), commissions or on a cost-plus basis for providing experiential marketing, shopper and consumer marketing services, private label development and our digital, social and media services.

Our revenue recognition policies generally result in recognition of revenues at the time services are performed. Our accounting policy for revenue recognition has an impact on our reported results and relies on certain estimates that require judgments on the part of management. We record an allowance as a reduction to revenue for differences between estimated revenues and the amounts ultimately invoiced to our clients based on our historical experience and current trends. Cash collected in advance of services being performed is recorded as deferred revenues.

We have contracts that include variable consideration whereby the ultimate consideration is contingent on future events such as the client's sales to retailers, hours worked, event count, costs incurred and performance incentive bonuses. Commission revenues are generally earned upon performance of headquarter relationship management, analytics, insights and intelligence, e-commerce, administration and retail services arrangements. As part of these arrangements, we provide a variety of services to consumer goods manufacturers in order to improve the manufacturer's sales to retailers. This includes primarily outsourced sales, business development, category and space management, relationship management and in-store sales strategy services. In exchange for these services, we earn an agreed upon percentage of our client's sales to retailers, which is agreed upon on a manufacturer-by-manufacturer basis. We may be entitled to additional fees upon meeting specific performance goals or thresholds, which we refer to as bonus revenue. The variability of the consideration for the services transferred during a reporting period is typically resolved by the end of the reporting period. However, for certain client contracts, we estimate the variable consideration for the services that have been transferred to the client during the reporting period. We typically estimate the variable consideration based on the expected value method. Estimates are based on historical experience and current facts known during the reporting period. We recognize revenue related to variable consideration if it is probable that a significant reversal of revenue recognized will not occur. When such probable threshold is not satisfied, we will constrain some or all of the variable consideration, and such constrained amount will not be recognized as revenue until the probable threshold is met or the uncertainty is resolved and the final amount is known. We record an adjustment to revenue for differences between estimated revenues and the amounts ultimately invoiced to the client. Adjustments to revenue during the current period related to services transferred during prior periods were not material for the year ended December 31, 2023.

We have contracts that include fixed consideration such as a fee per project or a fixed monthly fee. For contracts with a fee per project, revenue is recognized over time using an input method such as hours worked that reasonably depicts our performance in transferring control of the services to the client. We determined that the input method represents a reasonable method to measure the satisfaction of the performance obligation to the client. For contracts with a fixed monthly fee, revenue is recognized using a time-based measure resulting in a straight-line revenue recognition. A time-based measure was determined to represent a reasonable method to measure the satisfaction of the performance obligation to the client because we have a stand ready obligation to make itself available to provide services upon the client's request or the client receives the benefit from our services evenly over the contract period.

We evaluate each client contract individually in accordance with the applicable accounting guidance to determine whether we act as a principal (whereby we would present revenue on a gross basis) or as an agent (whereby we would present revenue on a net basis). While we primarily act as a principal in our arrangements and report revenues on a gross basis, given the varying terms of our client contracts, we will occasionally act as an agent and in such instances present revenues on a net basis. For example, for certain advertising arrangements, our clients purchase media content in advance, and we do not take on any risk of recovering the cost to acquire the media. As a result, we determined we act as the agent in these arrangements and record revenues and their related costs on a net basis as its agency services are performed. However, in cases where media is not purchased in advance by our clients, we record such revenues and the related costs on a gross basis, as we bear the risk of recovering the costs to acquire the media and are responsible for fulfillment of the services.

We record revenues from sales of services and the related direct costs in accordance with the accounting guidance on reporting revenue gross as a principal versus net as an agent. In situations where we act as a principal in the transaction, we report gross revenues and cost of revenues. When we act as an agent, we report the revenues and their related costs on a net basis.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net identifiable tangible and intangible assets acquired in an acquisition. We test for impairment of goodwill at the reporting unit level. We generally combine components that have similar economic characteristics, nature of services, types of clients, distribution methods and regulatory environment. We have two reporting units, sales and marketing, which are also our operating segments.

We test our goodwill for impairment at the beginning of the fourth quarter of a given fiscal year, and whenever events or changes in circumstances indicate that the carrying value of a reporting unit may exceed its fair value. We have the option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before performing a quantitative impairment test. To the extent that the qualitative approach indicates that it is more likely than not that the carrying amount is less than its fair value, we apply a quantitative approach. When it is determined that a quantitative impairment test should be performed, if the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying value over the fair value is recognized as an impairment loss; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

Our annual goodwill impairment assessment for each year is performed effective as of October 1. We utilize a combination of income and market approaches to estimate the fair value of our reporting units. The income approach utilizes estimates of discounted cash flows of the reporting units, which requires assumptions for, the reporting units' revenue growth rates, earnings before interest, taxes, depreciation and amortization ("EBITDA") margins, terminal growth rate, discount rate, and incremental net working capital, all of which require significant management judgment. The market approach applies market multiples derived from the historical earnings data of selected guideline publicly-traded companies to our reporting units' businesses to yield a second assumed value of each reporting unit, which requires significant management judgment. The guideline companies are first screened by industry group and then further narrowed based on the reporting units' business descriptions, markets served, competitors, EBITDA margins and revenue size. Market multiples are then selected from within the range of these guideline companies' multiples based on the subject reporting unit. We compare a weighted average of the output from the income and market approaches to the carrying value of each reporting unit. We also compare the aggregate estimated fair value of our reporting units to the estimated value of our total market capitalization. The assumptions in the income and market approach are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy (described in *"Fair Value Measurements in Note 1, Organization and Significant Accounting Policies,"*). We based our fair value estimates on assumptions we believe to be reasonable but which are unpredictable and inherently uncertain. A change in these underlying assumptions would cause a change in the results of the tests and, as such, could cause fair value to be less than the carrying amounts and result in an impairment of goodwill in the future. Additionally, if actual results are not consistent with the estimates and assumptions or if there are significant changes to our planned strategy, it may cause fair value to be less than the carrying amounts and result in an impairment of goodwill in the future.

In connection with our annual quantitative impairment test effective as of October 1, 2023, we concluded that our goodwill was not impaired as of October 1, 2023. The fair value of the sales reporting unit exceeded its carrying value by 19.1% as of October 1, 2023. The fair value of the marketing reporting unit exceeded its carrying value by 6.8% as of October 1, 2023.

Indefinite-Lived Assets

Our indefinite-lived intangible assets are comprised of our sales and marketing trade names. Intangible assets with indefinite useful lives are not amortized but tested annually, at the beginning of the fourth quarter, for impairment or more often if events occur or circumstances change that would create a triggering event. We have the option to perform a qualitative assessment of whether it is more likely than not that the indefinite-lived intangible asset's fair value is less than its carrying value before performing a quantitative impairment test. We test our indefinite-lived intangible assets for impairment using a relief from royalty method by comparing the estimated fair values of the indefinite-lived intangible assets with the carrying values. The estimates used in the determination of fair value are subjective in nature and involve the use of significant assumptions. These estimates and assumptions include revenue growth rates, terminal growth rate, discount rates and royalty rate, which requires significant management judgment. The assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy. We base our fair value estimates on assumptions we believe to be reasonable, but which are unpredictable and inherently uncertain. Actual future results may differ from the estimates.

In connection with our annual quantitative impairment test effective as of October 1, 2023, we concluded that our indefinite-lived intangible assets were not impaired. The fair value of the indefinite-lived intangible asset related to sales trade name exceeded its carrying value by 23.2% as of October 1, 2023. The fair value of the indefinite-lived intangible asset related to marketing trade name exceeded its carrying value by 6.9% as of October 1, 2023.

Notwithstanding the foregoing, during the fourth quarter of 2023, we determined a triggering event occurred and an impairment assessment was warranted for the sales indefinite-lived trade name due to the deconsolidation of our European joint venture and the planned divestitures of a collection of foodservice businesses. As a result, we recognized non-cash intangible asset impairment charges of \$43.5 million related to our indefinite-lived sales trade name during the year ended December 31, 2023, which has been reflected in "Impairment of goodwill and indefinite-lived assets" in the Consolidated Statements of Comprehensive (Loss) Income. Additionally, during the fourth quarter of 2023, we determined a triggering event occurred and an impairment assessment was warranted for the marketing indefinite-lived trade name due to the planned divestitures of a collection of foodservice businesses. The

fair value of the indefinite-lived intangible asset related to marketing trade name exceeded its carrying value by 17.0% for the year ended December 31, 2023.

The following table represents a sensitivity analysis on the indefinite-lived sales trade name intangible asset depicting the percent increase in the \$43.5 million charge related to the indefinite-lived sales trade name had the fair value been estimated with a 0.1% increase in the discount rate used and a 0.1% decrease in the royalty rate used at December 31, 2023.

Assumption Change	% Increase in Impairment Charge Sales Trade Name
0.1% increase in discount rate	11.0%
0.1% decrease in royalty rate	27.9%

Stock-Based Compensation

Performance restricted stock units ("PSUs") are subject to the achievement of certain performance conditions based on our revenues and Adjusted EBITDA targets in the respective measurement period and the recipient's continued service to us. The PSUs are scheduled to vest over a three-year period from the date of grant and may vest from 0% to 150% of the number of shares. The number of PSUs earned is adjusted to be proportional to the partial performance between the Threshold Goals, Target Goals and Maximum Goals. The fair value of PSU grants was equal to the closing price of our stock on the date of the applicable grant. Restricted stock units ("RSUs") are subject to the recipient's continued service to us. The RSUs are generally scheduled to vest over three years and are subject to the provisions of the RSU agreement under the Advantage Solutions, Inc. 2020 Incentive Award Plan, as amended and restated (the "Plan").

Equity-based compensation of Karman Topco L.P.

Topco, our current majority stockholder, has a long-term equity incentive plan that allows for the grant of time-and performance-based profit interests, or Common Series C Units, in Topco to certain of its and its subsidiaries' directors and employees in exchange for services provided to us. Since we receive the benefit associated with such services the related expense is recorded within our Consolidated Statements of Operations and Comprehensive (Loss) Income.

We recognized a non-cash compensation gain related to forfeitures of \$3.7 million and \$2.9 million for the years ended December 31, 2023 and 2022, respectively.

Refer to Note 11—*Stock Based Compensation and Other Benefit Plans* to our audited consolidated financial statements included elsewhere in this Annual Report for details regarding Topco's and our equity-based compensation plans.

Recently Issued Accounting Pronouncements

Refer to Note 1, *Organization and Significant Accounting Policies – Recent Accounting Pronouncements*, to our audited consolidated financial statements included elsewhere in this Annual Report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Foreign Currency Risk

Our exposure to foreign currency exchange rate fluctuations is primarily the result of foreign subsidiaries and foreign branches primarily domiciled in Europe and Canada. We use financial derivative instruments to hedge foreign currency exchange rate risks associated with our Canadian subsidiary.

The assets and liabilities of our foreign subsidiaries and foreign branches, whose functional currencies are primarily the Canadian dollar, British pound and euro, are translated into U.S. dollars at exchange rates in effect at the balance sheet date. Income and expense items are translated at the average exchange rates prevailing during the period. The cumulative translation effects for subsidiaries using a functional currency other than the U.S. dollar are included in accumulated other comprehensive (loss) income as a separate component of stockholders' equity. We estimate that had the exchange rate in each country unfavorably changed by ten percent relative to the U.S. dollar, our consolidated loss before income taxes would have increased by approximately \$11.9 million for the year ended December 31, 2023.

Interest Rate Risk

Interest rate exposure relates primarily to the effect of interest rate changes on borrowings outstanding under the Term Loan Facility, Revolving Credit Facility and Notes.

We manage our interest rate risk through the use of derivative financial instruments. Specifically, we have entered into interest rate cap agreements to manage our exposure to potential interest rate increases that may result from fluctuations in SOFR. We do not designate these derivatives as hedges for accounting purposes, and as a result, all changes in the fair value of derivatives, used to hedge interest rates, are recorded in "Interest expense, net" in our Consolidated Statements of Operations and Comprehensive (Loss) Income.

As of December 31, 2023, we had interest rate cap contracts on \$650.0 million of notional value of principal from various financial institutions, with a maturity date of December 16, 2024 to manage our exposure to interest rate movements on variable rate credit facilities when one-months SOFR on term loans exceeds cap of 0.75%. We also had interest rate collar contracts with an aggregate notional value of principal of \$300.0 million with a maturity date of April 5, 2026. The aggregate fair value of our interest rate caps represented an outstanding net asset of \$26.3 million as of December 31, 2023.

Holding other variables constant, a change of one-eighth percentage point in the weighted average interest rate above the floor of 0.75% on the Term Loan Facility and 0.00% on Revolving Credit Facility would have resulted in an increase of \$0.9 million in interest expense, net of gains from interest rate caps, for the year ended December 31, 2023.

In the future, in order to manage our interest rate risk, we may refinance our existing debt, enter into additional interest rate cap agreements or modify our existing interest rate cap agreement. However, we do not intend or expect to enter into derivative or interest rate cap transactions for speculative purposes.

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Advantage Solutions Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Advantage Solutions Inc. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive (loss) income, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2023, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

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

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

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Annual Goodwill Impairment Assessments – sales and marketing reporting units

As described in Notes 1 and 3 to the consolidated financial statements, the Company's goodwill balance was \$855.4 million as of December 31, 2023, which is related to two reporting units, sales and marketing. Management tests goodwill for impairment at the beginning of the fourth quarter and whenever events or changes in circumstances indicate that the carrying value of a reporting unit may exceed its fair value. When it is determined that a quantitative impairment test should be performed, if the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying value over the fair value is recognized as an impairment loss. Management utilizes a combination of income and market approaches to estimate the fair value of the Company's reporting units. The income approach utilizes estimates of discounted cash flows of the reporting units, which requires assumptions for the reporting units' revenue growth rates, EBITDA margins, terminal growth rate, discount rate, and incremental net working capital, all of which require significant management judgment. The market approach applies market multiples derived from the historical earnings data of selected guideline publicly-traded companies to the Company's reporting units' businesses, which requires significant management judgment.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessments of the sales and marketing reporting units is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the sales and marketing reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue growth rates, EBITDA margins, discount rate, and market multiples; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's goodwill impairment assessments, including controls over the valuation of the sales and marketing reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the sales and marketing reporting units; (ii) evaluating the appropriateness of the income and market valuation approaches used by management, including utilizing a combination of the approaches to develop the fair value estimate of the sales and marketing reporting units; (iii) testing the completeness and accuracy of underlying data used in the income and market valuation approaches; and (iv) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, EBITDA margins, discount rate, and market multiples. Evaluating management's assumptions related to revenue growth rates and EBITDA margins involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the sales and marketing reporting units; (ii) the consistency with external market and industry data; and (iii) whether the assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the income and market valuation approaches, including utilizing a combination of the approaches to develop the fair value estimate of the sales and marketing reporting units and (ii) the reasonableness of the discount rate and market multiples assumptions.

Annual and Interim Indefinite-Lived Intangible Assets Impairment Assessments – sales and marketing trade names

As described in Notes 1 and 3 to the consolidated financial statements, the Company's indefinite-lived intangible assets balance was \$651.5 million as of December 31, 2023, which is related to sales and marketing trade names. Intangible assets with indefinite useful lives are not amortized but tested annually, at the beginning of the fourth quarter, for impairment or more often if evidence exists that triggering events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Management tests the Company's indefinite-lived intangible assets for impairment using a relief from royalty method by comparing the estimated fair values of the indefinite-lived intangible assets with the carrying values. The estimates used in the determination of fair value are subjective in nature and involve the use of significant assumptions. These estimates and assumptions include revenue growth rates, terminal growth rate, discount rates, and royalty rate, all of which require significant management judgment. During the fourth quarter of 2023, management determined a triggering event occurred and an impairment assessment was warranted for the sales indefinite-lived trade name due to the deconsolidation of the Company's European joint venture and the planned divestitures of a collection of foodservice businesses, which was determined to be held for sale. Additionally, during the fourth quarter of 2023, management

determined a triggering event occurred and an impairment assessment was warranted for the marketing indefinite-lived trade name due to the planned divestitures of a collection of foodservice businesses. As a result, the Company recognized non-cash intangible asset impairment charges of \$43.5 million related to its indefinite-lived sales trade name.

The principal considerations for our determination that performing procedures relating to the annual and interim indefinite-lived intangible assets impairment assessments of the sales and marketing trade names is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the sales and marketing trade names; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to revenue growth rates, discount rates, and royalty rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's indefinite-lived intangible assets impairment assessments, including controls over the valuation of the sales and marketing trade names. These procedures also included, among others (i) testing management's process for developing the fair value estimates of the sales and marketing trade names; (ii) evaluating the appropriateness of the relief from royalty method used by management; (iii) testing the completeness and accuracy of underlying data used in the relief from royalty method; and (iv) evaluating the reasonableness of the significant assumptions used by management related to revenue growth rates, discount rates, and royalty rate. Evaluating management's assumption related to revenue growth rates involved evaluating whether the assumption used by management was reasonable considering (i) the current and past performance of the sales and marketing brands; (ii) the consistency with external market and industry data; and (iii) whether the assumption was consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the relief from royalty method and (ii) the reasonableness of the discount rates and royalty rate assumptions.

/s/ PricewaterhouseCoopers LLP

Irvine, California
March 1, 2024

We have served as the Company's auditor since 2003.

ADVANTAGE SOLUTIONS INC.
CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)	December 31,	
	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 126,479	\$ 120,715
Restricted cash	16,363	17,817
Accounts receivable, net of allowance for expected credit losses of \$ 34,807 and \$ 22,752 , respectively	703,252	869,000
Prepaid expenses and other current assets	165,940	149,476
Total current assets	1,012,034	1,157,008
Property and equipment, net	73,910	70,898
Goodwill	855,391	887,949
Other intangible assets, net	1,580,134	1,897,503
Investments in unconsolidated affiliates	211,393	129,491
Other assets	46,461	119,522
Total assets	3,779,323	4,262,371
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current portion of long-term debt	\$ 13,580	\$ 13,991
Accounts payable	181,076	261,464
Accrued compensation and benefits	165,701	154,744
Other accrued expenses	153,015	133,173
Deferred revenues	27,925	37,329

Total current liabilities	541,297	600,701
Long-term debt, net of current portion	1,852,784	2,022,819
Deferred income tax liabilities	204,251	297,874
Warrant liability	667	953
Other long-term liabilities	76,247	110,554
Total liabilities	2,675,246	3,032,901
Commitments and contingencies (Note 18)		
Redeemable noncontrolling interest	—	3,746
Equity attributable to stockholders of Advantage Solutions Inc.		
Preferred stock, no par value,		
10,000,000		
shares authorized;		
none		
issued	—	—
and outstanding as of December 31, 2023 and 2022, respectively		
Common stock, \$		
0.0001		
par value,		
3,290,000,000		
shares authorized;		
322,235,261		
and		
319,690,300		
shares issued and outstanding as of	32	32
December 31, 2023 and 2022, respectively		
Additional paid in capital		
	3,449,261	3,408,836
Accumulated deficit	((
	2,314,650	2,247,109
))
Loans to Karman Topco L.P.	((
	6,387	6,363
))

Accumulated other comprehensive loss	((
	3,945	18,849
Treasury stock, at cost:))
3,600,075		
and	((
1,610,014		
shares as of	18,949	12,567
December 31, 2023 and 2022, respectively))
Total equity attributable to stockholders of Advantage Solutions Inc.		
	1,105,362	1,123,980
Nonredeemable noncontrolling interest	((
	1,285	101,744
)		
Total stockholders' equity		
	1,104,077	1,225,724
Total liabilities, redeemable noncontrolling interest, and		
stockholders' equity		
	3,779,323	4,262,371
	<u>\$</u>	<u>\$</u>

See Notes to the Consolidated Financial Statements.

ADVANTAGE SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME

(in thousands, except share and per share data)	2023	2022	2021
Year Ended December 31,			
Revenues			
	\$ 4,224,846	\$ 4,049,742	\$ 3,602,298
Cost of revenues (exclusive of depreciation and amortization shown separately below)	3,660,464	3,493,183	2,964,123
Selling, general, and administrative expenses	265,091	187,504	168,086
Impairment of goodwill and indefinite-lived assets	43,500	1,572,523	—
Depreciation and amortization	224,697	233,075	240,041
Gain on deconsolidation of subsidiaries	(58,891)	—	—
Loss on divestitures	19,068	2,863	—
Income from unconsolidated investments	(5,273)	—	—
Total operating expenses	4,148,656	5,489,148	3,372,250
Operating income (loss)	(76,190)	1,439,406	230,048
Other (income) expenses:			
Change in fair value of warrant liability	(286)	21,236	955
Interest expense, net	165,802	104,459	137,927
Total other expenses	165,516	83,223	138,882
(Loss) income before income taxes	(89,326)	(1,522,629)	(91,166)
(Benefit from) provision for income taxes	(29,008)	(145,337)	(33,617)
Net (loss) income	(60,318)	(1,377,292)	(57,549)
Less: net income attributable to noncontrolling interest	2,940	3,210	3,055
Net (loss) income attributable to stockholders of Advantage Solutions Inc.	(63,258)	(1,380,502)	(54,494)
Other comprehensive (loss) income, net of tax:			

Foreign currency translation adjustments		((
	5,817	14,370	5,153
Total comprehensive (loss) income attributable to stockholders of Advantage Solutions Inc.		((
	57,441	1,394,872	49,341
Net (loss) income per common share:			
Basic		((
	0.20	4.33	0.17
Diluted		((
	0.20	4.33	0.17
Weighted-average number of common shares:			
Basic		323,677,515	318,682,548
		323,677,515	318,198,860
Diluted		323,677,515	318,682,548
		321,004,756	

See Notes to the Consolidated Financial Statements.

ADVANTAGE SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands, except share data)					Additional		Accumulated		Advantage		Nonredeemabl		Total
	Common Stock	Treasury Stock	Amou	nt	Paid-in	Accumulate	Loans	Other	Solutions Inc.	Stockholders'	Noncontrolling	Stockholders'	
Shares	Shares	Shares	Amount	Capital	Deficit	To Topco	Comprehensiv	Stockholders'	Equity	Interests	Equity	Equity	
Balance at January 1, 2021						((
	318,425,1	82	32	—	3,348,546	921,101	6,316	674	2,421,835	96,954	2,518,789		
Comprehensive income (loss)													
Net income						54,494	—	—	54,494	2,964	57,458		
Foreign currency translation adjustments							(((((
	—	—	—	—	—	—	—	—	5,153	5,153	3,069	8,222	
Total comprehensive income (loss))))))		
	—	—	—	—	—	—	—	—	49,341	105	49,236		
Interest on loans to Karman Topco L.P.						((
	—	—	—	—	—	24	—	—	24	—	—	24	
Redemption of noncontrolling interest					(—	—	—	—	(—	(
	—	—	—	—	—	)	—	—	444	235	209	
Equity-based compensation of Karman Topco L.P.					(—	—	—	—	(—	(
	—	—	—	—	)	15,030	—	—	15,030	—	—	15,030
Purchase of treasury stock					(((
	(	—	—	—	1,610,01	—	—	—	—	((
	1,610,014	—	4	12,567	)	—	—	—	12,567	—	—	12,567
Shares issued under 2020 Incentive Award Plan													
	66,208	—	—	—	—	—	—	—	—	—	—		
Shares issued under 2020 Employee Stock Purchase Plan													
	77,172	—	—	—	736	—	—	—	736	—	—	736	
Shares issued upon exercise of warrants													
	5,004	—	—	—	58	—	—	—	58	—	—	58	
Stock-based compensation expense													
	—	—	—	—	39,412	—	—	—	39,412	—	—	39,412	
Balance at December 31, 2021					(((((
	316,963,5	52	32	1,610,01	4	12,567	3,373,278	866,607	6,340	4,479	2,483,317	97,084	2,580,401
Comprehensive income (loss)													
Net (loss) income							()	()	((
	—	—	—	—	—	—	1,380,502)	—	—	—	1,377,507	
	—	—	—	—	—	—)	—	—	—)	2,995	

Shares issued under 2020 Incentive Award Plan and tax related to net share settlement	5,467,531	1,880	1,880	1,880	1,880
Stock-based compensation expense	—)	—))
Deconsolidation of subsidiaries	—	42,581	—	42,581	42,581
Balance at December 31, 2023	—	—	—	9,087	9,087
		((((
322,235,2 61	32	5 18,949	3,449,261	2,314,650 6,387	3,945 1,105,362 1,285 \$ 1,104,077
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

See Notes to Consolidated Financial Statements.

ADVANTAGE SOLUTIONS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	2023	Year Ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	(((
	\$ 60,318	\$ 1,377,292	\$ 57,549
Adjustments to reconcile net (loss) income to net cash provided by operating activities)))
Noncash interest income	(((
	7,660	43,785	8,315
Amortization of deferred financing fees)))
	8,292	8,860	9,250
Impairment of goodwill and indefinite-lived assets	43,500	1,572,523	—
Extinguishment costs related to repayment and repricing of long-term debt	—	—	1,569
Depreciation and amortization	224,697	233,075	240,041
Change in fair value of warrant liability	(((
	286	21,236	955
Fair value adjustments related to contingent consideration)))
	10,362	4,774	5,763
Deferred income taxes	(((
	80,416	190,754	10,012
Equity-based compensation of Karman Topco L.P.)))
	(((
	2,524	6,934	15,030
Stock-based compensation)))
	42,880	39,825	39,412
Equity in earnings of unconsolidated affiliates	(((
	5,511	10,609	10,298
Distribution received from unconsolidated affiliates)))
	2,100	1,826	1,465
Loss on disposal of property and equipment	3,318	644	7,162
Loss on divestitures	19,068	2,863	—
Gain on deconsolidation of subsidiaries	(—	—
	58,891	—	—
Gain on repurchases from the Term Loan Facility and Senior Secured Notes debt	(—	—
	8,665	—	—
Changes in operating assets and liabilities, net of effects from divestitures and purchases of businesses:)	—	—

Accounts receivable, net	(()
	45,601	75,688	215,501
Prepaid expenses and other assets)	((
	50,626	22,738	14,000
Accounts payable	(()
	26,175	17,635	46,000
Accrued compensation and benefits)	()
	26,941	16,678	2,363
Deferred revenues	(()
	6,974	11,551	2,694
Other accrued expenses and other liabilities)	((
	5,082	18,412	4,962
Net cash provided by operating activities		238,995	121,258
			125,991
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of businesses, net of cash acquired	(()
	—	74,206	42,668
Purchase of investment in unconsolidated affiliates	(((
	3,023	775	2,000
Purchase of property and equipment	(((
	46,271	40,455	31,175
Proceeds from divestitures		21,108	1,896
			—
Deconsolidation of subsidiaries cash and cash equivalents and restricted cash, net of proceeds	(()
	31,465	—	—
Proceeds from sale of investment in unconsolidated affiliates		4,428	—
			—
Net cash used in investing activities	(((
	55,223	113,540	75,843
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings under lines of credit		99,538	326,090
			61,629
Payments on lines of credit	(((
	99,102	326,968	111,736
Proceeds from government loans for COVID-19 relief		1,339	—
			2,975
Principal payments on long-term debt	(((
	13,602	13,394	13,309
Repurchases of Term Loan Facility and Senior Secured Notes debt	(()
	156,559	—	—
Proceeds from issuance of common stock		2,248	3,320
			794

Payments for taxes related to net share settlement under 2020 Incentive Award Plan	(	1,880	—	—
)			
Contingent consideration payments	((((
	4,898	23,164	9,814)
Holdback payments	((()
	1,886	11,057	3,989)
Purchase of treasury stock	((()
	6,382	—	12,567)
Financing fees paid		(()
	—	1,464	74)
Contribution from noncontrolling interest		—	5,217	—
Redemption of noncontrolling interest	((()
	154	224	209)
Net cash used in financing activities	((()
	181,338	41,644	86,300)
Net effect of foreign currency changes on cash		(()
	1,876	8,179	3,177)
Net change in cash, cash equivalents and restricted cash		(()
	4,310	42,105	39,329)
Cash, cash equivalents and restricted cash, beginning of period		138,532	180,637	219,966
Cash, cash equivalents and restricted cash, end of period		142,842	138,532	180,637
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES	\$	\$	\$	\$
Exchange of ownership of SPV for fair value of GSH		15,854	—	—
Non-cash proceeds from divestitures	\$	\$	\$	\$
Purchase of property and equipment recorded in accounts payable and accrued expenses	\$	4,283	—	—
	\$	\$	\$	\$
SUPPLEMENTAL CASH FLOW INFORMATION	\$	\$	\$	\$
Cash payments for interest		1,201	842	759
Cash received from interest rate derivatives	\$	\$	\$	\$
Cash payments for income taxes, net	\$	28,808	6,527	—
	\$	\$	\$	\$
	39,007	45,729	40,189	

See Notes to the Consolidated Financial Statements.

**ADVANTAGE SOLUTIONS INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

1. Organization and Significant Accounting Policies

On July 25, 2014, Advantage Solutions Inc. ("ASI Intermediate") acquired Advantage Sales & Marketing Inc. (the "2014 Topco Acquisition"). As a result of the 2014 Topco Acquisition, Advantage Sales & Marketing Inc. became a wholly owned indirect subsidiary of ASI Intermediate and Karman Topco L.P. ("Topco") became the sole stockholder of ASI Intermediate.

The units of Topco are held by equity funds affiliated with or advised by CVC Capital Partners, Leonard Green & Partners, Juggernaut Capital Partners, Centerview Capital, L.P., and Bain Capital, as well as by current and former members of the Company's management.

On September 7, 2020, ASI Intermediate entered into an agreement and plan of merger (as amended, modified, supplemented or waived, the "Merger Agreement"), with Conyers Park II Acquisition Corp., a Delaware corporation, now known as Advantage Solutions Inc. ("Conyers Park"), CP II Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Conyers Park ("Merger Sub"), and Topco.

On October 28, 2020, Conyers Park consummated the merger pursuant to the Merger Agreement, by and among Merger Sub, ASI Intermediate, and Topco. Pursuant to the Merger Agreement, Merger Sub was merged with and into Legacy Advantage with Legacy Advantage being the surviving company in the merger as a wholly owned subsidiary of Conyers Park (the "Merger"). On October 28, 2020, Conyers Park changed its name to Advantage Solutions Inc. (the "Company" or "Advantage") and ASI Intermediate changed its name to ASI Intermediate Corp.

In connection with the entry into the Merger Agreement, Conyers Park also entered into subscription agreements with certain investors (the "PIPE Investors"), pursuant to which, among other things, Conyers Park agreed to issue and sell in a private placement shares of Conyers Park Class A common stock for a purchase price of \$

10.00

per share. The PIPE Investors, other than the equity holders of Topco that participated in the PIPE Investment (the "Advantage Sponsors") and their affiliates, agreed to purchase an aggregate of

51,130,000

shares of Conyers Park Class A common stock. Certain of the Advantage Sponsors or their affiliates agreed to purchase an aggregate of

34,410,000

shares of Conyers Park Class A common stock, and, at their sole discretion. The shares of Conyers Park Class A common stock purchased by the PIPE Investors in the private placement are referred to as the "PIPE Shares" and the aggregate purchase price paid for the PIPE Shares is referred to as the "PIPE Investment." On October 28, 2020, the PIPE Investment was consummated, and

85,540,000

shares of Class A common stock were issued for aggregate gross proceeds of \$

855.4

million.

The Company is headquartered in Irvine, California and is a business solutions provider to consumer goods manufacturers and retailers.

The Company's common stock and public warrants (as further described in Note 12, *Equity*) are listed on the Nasdaq Global Select Market under the symbol "ADV" and warrants to purchase the common stock at an exercise price of \$

11.50

per share are listed on the Nasdaq Global Select Market under the symbol "ADVWWW".

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The financial information set forth herein reflects: (a) the consolidated statements of operations and comprehensive (loss) income, stockholders' equity, and cash flows for the years ended December 31, 2023, 2022, and 2021 and (b) the consolidated balance sheets as of December 31, 2023 and 2022. The consolidated financial statements for the years ended December 31, 2023, 2022, and 2021 reflect Topco's basis in the assets and liabilities of the Company, as a result of the 2014 Topco Acquisition. The Company's share in the earnings or losses for its investments in affiliates is reflected in "Investments in unconsolidated affiliates" and "Income from unconsolidated investments" in the Consolidated Balance Sheets and Consolidated Statements of Operations and Comprehensive (Loss) Income, respectively. All intercompany balances and transactions have been eliminated upon consolidation. Reclassifications of certain immaterial prior period amounts have been made to conform to the current period presentation that were combined in previous years.

On November 30, 2023 the Company reduced its equity interest in Advantage Smolian Limited ("ASL"), its European joint venture, from a majority interest of under

60

% to a minority interest of

49.6

% in exchange for \$

1.0

million in cash. The Company also removed certain participating rights with ASL related to capital allocation and certain of the Company's decision making rights, resulting in a loss of control. Therefore, in accordance with Accounting Standards Codification 810 ("ASC 810"), Consolidation, ASL

was deconsolidated from the Company's consolidated financial statements resulting in the recognition of a \$

58.9

million gain for the year ended December 31, 2023. Effective December 1, 2023, the Company's investment in ASL is accounted for under the equity method of accounting, with the investment reported in "Investments in unconsolidated affiliates" on the Consolidated Balance Sheets and equity income (loss) reported in "Income from unconsolidated investments" on the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Reportable Segments

The Company provides services across two segments — sales and marketing.

During the fourth quarter of 2023, certain organizational changes were announced that will impact the Company's future internal reporting. As a result of these changes, the Company expects to have three reportable segments. The Company expects that any operational changes impacting the reportable segments will be effective in the first quarter of 2024.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates. The most significant estimates include revenues, workers' compensation and employee medical claim reserves, fair value of contingent consideration, leases, income taxes, equity-based compensation, derivative instruments and fair value considerations in applying purchase accounting and assessing goodwill and other asset impairments.

Foreign Currency

The Company's reporting currency is U.S. dollars as that is the currency of the primary economic environment in which the Company operates. The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenues and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are included in "Accumulated other comprehensive (loss) income" in the Consolidated Statements of Stockholders' Equity. Transactions in foreign currencies other than the entities' functional currency are converted using the rate of exchange at the date of transaction. The gains or losses arising from the revaluation of foreign currency transactions to functional currency are included in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. Unrealized foreign currency exchange gains and losses on certain intercompany transactions that are of a long-term investment nature (*i.e.*, settlement is not planned or anticipated in the foreseeable future) are also recorded in Accumulated other comprehensive (loss) income in stockholders' equity. The Company reports gains and losses from foreign exchange rate changes related to intercompany receivables and payables that are of a long-term investment nature, in "Other comprehensive (loss) income" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. These items represented a net loss of \$

0.2
million, a gain of \$

7.3
million, and a gain of \$

1.0
million during the years ended December 31, 2023, 2022, and 2021, respectively.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and highly liquid investments having an original maturity of three months or less. The Company's investments consist primarily of U.S. Treasury securities. The Company's investments are carried at cost, which approximates fair value. The Company has restricted cash related to funds received from clients that will be disbursed at the direction of those clients. Corresponding liabilities have been recorded in "Other accrued expenses" in the Consolidated Balance Sheets.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Company's Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Company's Consolidated Statements of Cash Flows:

	December 31,		
	2023	2022	2021
(in thousands)			
Cash and cash equivalents			
	126,479	\$ 120,715	\$ 164,622
\$			
Restricted cash	16,363	17,817	16,015
Total cash, cash equivalents and restricted cash	142,842	\$ 138,532	\$ 180,637
\$			

Accounts Receivable and Expected Credit Losses

Accounts receivable consist of amounts due from clients for services provided in normal business activities and are recorded at invoiced amounts. The Company measures expected credit losses against certain billed receivables based upon the latest information regarding whether invoices are ultimately collectible. Assessing the collectability of client receivables requires management judgment. The Company determines its expected credit losses by specifically analyzing individual accounts receivable, historical bad debts, client creditworthiness, current economic conditions, and accounts receivable aging trends. Valuation reserves are periodically re-evaluated and adjusted as more information about the ultimate collectability of accounts receivable becomes available. Upon determination that a receivable is uncollectible, the receivable balance and any associated reserve is written off.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of accounts receivable and cash balances at various financial institutions. The Company maintains cash balances in accounts at various financial institutions. At times such cash balances may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Derivatives

The Company uses financial instruments to hedge interest rate and foreign exchange risk. Derivative instruments, used to hedge interest rates, consist of interest rate swaps and interest rate caps. Interest rate swap contracts involve the exchange of floating rate interest payment obligations for fixed interest rate payments without the exchange of the underlying principal amounts. Interest rate cap contracts limit the floating interest rate exposure to the indicative rate in the agreement. Derivatives are initially recognized at fair value on the date a contract is entered into and are subsequently re-measured at fair value. The fair values of derivatives are measured using observable market prices or, where market prices are not available, by using discounted expected future cash flows at prevailing interest and exchange rates. The Company does not designate these derivatives as hedges for accounting purposes, and as a result, all changes in the fair value of derivatives used to hedge interest rates and foreign exchange risk are recorded in "Interest expense" and in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income, respectively. Cash flows associated with such derivatives are reported in cash flows from operating activities in the Consolidated Statements of Cash Flows. These arrangements contain an element of risk in that the counterparties may be unable to meet the terms of such arrangements. In the event the counterparties are unable to fulfill their related obligations, the Company could potentially incur significant additional costs by replacing the positions at then current market rates. The Company manages its risk of exposure by limiting counterparties to those banks and institutions deemed appropriate by management.

Property and Equipment

Property and equipment are stated at cost, and the balances are presented net of accumulated depreciation. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets. The following table provides the range of estimated useful lives used for each asset type:

Leasehold improvements	3	—
		10 years
Furniture and fixtures	3	—
		7 years
Computer hardware and other equipment	3	—
		5 years
Software	3	—
		5 years

The Company capitalizes certain direct costs associated with the development and purchase of internal-use software within property and equipment. Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Maintenance and training costs are expensed as incurred. Capitalized costs are amortized on a straight-line basis over the estimated useful lives of the software, generally not exceeding five years. The Company evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. There were no impairments to capitalized internal-use software for the years ended December 31, 2023 and 2022.

Leasehold improvements are amortized on a straight-line basis over the shorter of their respective lease terms or their respective estimated useful lives. The cost and accumulated depreciation of assets sold or otherwise disposed of are removed from the Consolidated Balance Sheets and the resulting gain or loss is reflected in the "Cost of revenues" and "Selling, general, administrative expenses" within the Consolidated Statements of Operations and Comprehensive (Loss) Income, depending on the nature of the

assets. Expenditures for maintenance and repairs are expensed as incurred, whereas expenditures for improvements and replacements are capitalized.

Equity Method Investments

Investments in companies in which the Company exercises significant influence over the operating and financial policies of the investee and are not required to be consolidated are accounted for using the equity method. The Company's proportionate share of the net income or loss of equity method investments is included in the results of operations and any dividends received reduce the carrying value of the investment. The excess of the cost of the Company's investment over its proportionate share of the fair value of the net assets of the investee at the acquisition date is recognized as goodwill and included in the carrying amount of the investment. Goodwill in the equity method investments is not amortized. Gains and losses from changes in the Company's ownership interests are recorded in results of operations until control is achieved. In instances in which a change in the Company's ownership interest results in obtaining control, the existing carrying value of the investment is remeasured to the acquisition date fair value and any gain or loss is recognized in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Distributions received from unconsolidated entities that represent returns on the investor's investment are reported as cash flows from operating activities in the Company's Consolidated Statements of Cash Flows. Cash distributions from unconsolidated entities that represent returns of the Company's investment are reported as cash flows from investing activities.

Business Combinations

The Company accounts for business combinations using the acquisition method. Under this method, the purchase price of an acquisition is allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. To the extent the purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired and liabilities assumed, such excess is allocated to goodwill. Factors giving rise to goodwill generally include assembled workforce, geographic presence, expertise, and synergies that are anticipated as a result of the business combination, including enhanced product and service offerings. The Company determines the estimated fair values after review and consideration of relevant information, including discounted cash flows, quoted market prices and estimates made by management. The Company adjusts the preliminary purchase price allocation, as necessary, during the measurement period of up to one year after the acquisition closing date as the Company obtains more information as to facts and circumstances existing at the acquisition date impacting asset valuations and liabilities assumed. Goodwill acquired in business combinations is assigned to the reporting unit expected to benefit from the combination as of the acquisition date. Acquisition-related costs are recognized separately from the acquisition and are expensed as incurred.

Divestitures

The Company nets the proceeds on the divestitures of businesses with the carrying amount of the related net assets and liabilities and records a gain or loss in the Consolidated Statements of Operations and Comprehensive (Loss) Income. Any contingent payments that are potentially due to the Company as a result of these divestitures are recorded when it is probable that a significant reversal of such consideration will not occur, or in the case of a business, when such payments are realizable. For divestitures of businesses, the Company includes the relative fair value of goodwill associated with the businesses in the determination of the gain or loss on sale.

Held for Sale

Assets and liabilities to be disposed of by sale are classified as "held for sale" if their carrying amounts are expected to be recovered through a sale transaction rather than through continuing use. The classification occurs when the disposal group is available for immediate sale and the sale is probable. These criteria are generally met when management has committed to a plan to sell the assets within one year. Components and businesses that meet accounting requirements to be classified as held for sale are presented as single asset and liability amounts in the Company's financial statements with a valuation allowance, if necessary, to recognize the net carrying amount at the lower of cost or fair value, less costs to sell. The Company reviews its businesses and assets held for sale each reporting period to determine whether the existing carrying amounts are fully recoverable in comparison to estimated fair values. When the net realizable value of a disposal group increases during a period, a gain can be recognized to the extent that it does not increase the value of the disposal group beyond its original carrying value when the disposal group was reclassified as held for sale.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net identifiable tangible and intangible assets acquired in an acquisition. The Company tests for impairment of goodwill at the reporting unit level. The Company generally combines components that have similar economic characteristics, nature of services, types of clients, distribution methods and

regulatory environment. The Company has two reporting units, sales and marketing, which are also the Company's operating segments.

The Company tests its goodwill for impairment at the beginning of the fourth quarter of a given fiscal year and whenever events or changes in circumstances indicate that the carrying value of a reporting unit may exceed its fair value. The Company has the option to perform a qualitative assessment of whether it is more likely than not that a reporting unit's fair value is less than its carrying value before performing a quantitative impairment test. To the extent that the qualitative approach indicates that it is more likely than not that the carrying amount is less than its fair value, the Company applies a quantitative approach. When it is determined that a quantitative impairment test should be performed, if the fair value of the reporting unit is less than its carrying amount, goodwill is impaired and the excess of the reporting unit's carrying value over the fair value is recognized as an impairment loss; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

The Company's annual goodwill impairment assessment for each year is performed as of October 1. The Company utilizes a combination of income and market approaches to estimate the fair value of its reporting units. The income approach utilizes estimates of discounted cash flows of the reporting units, which requires assumptions for the reporting units' revenue growth rates, earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins, terminal growth rate, discount rate, and incremental net working capital, all of which require significant management judgment. The market approach applies market multiples derived from the historical earnings data of selected guideline publicly-traded companies to the Company's reporting units' businesses, which requires significant management judgment. The guideline companies are first screened by industry group and then further narrowed based on the reporting units' business descriptions, markets served, competitors, EBITDA margins and revenue size. Market multiples are then selected from within the range of these guideline companies' multiples based on the subject reporting unit. The Company compares a weighted average of the output from the income and market approaches to the carrying value of each reporting unit. The Company also compares the aggregate estimated fair value of its reporting units to the estimated fair value of its total market capitalization. The assumptions in the income and market approach are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy (described in "Fair Value Measurements," below). The Company based its fair value estimates on assumptions it believes to be reasonable but which are unpredictable and inherently uncertain. A change in these underlying assumptions would cause a change in the results of the tests and, as such, could cause fair value to be less than the carrying amounts and result in an impairment of goodwill in the future. Additionally, if actual results are not consistent with the estimates and assumptions or if there are significant changes to the Company's planned strategy, it may cause fair value to be less than the carrying amounts and result in an impairment of goodwill in the future.

In connection with the Company's annual quantitative impairment test effective as of October 1, 2023, the Company concluded that the goodwill was not impaired as of October 1, 2023. The fair value of the sales and marketing reporting units exceeded their carrying value by

19.1
% and

6.8
%, respectively, as of October 1, 2023. The Company determined that no additional goodwill impairment occurred through December 31, 2023.

In connection with the Company's annual quantitative impairment test effective as of October 1, 2022, the Company's sales and marketing reporting units were written down to their respective fair values, resulting in zero excess fair value over their carrying values. The Company recognized \$

1,275.7
million and \$

91.8
million impairment charges in the sales and marketing reporting units, respectively, for the year ended December 31, 2022, which has been reflected in "Impairment of goodwill and indefinite-lived assets" in the Company's Consolidated Statements of Comprehensive (Loss) Income. While there was no single determinative event or factor, the consideration of the weight of evidence of several factors that culminated during the fourth quarter of 2022 led the Company to conclude that it was more likely than not that the fair value of the sales and marketing reporting units were below their carrying values. These factors included: (a) sustained decline in the Company's share price; (b) challenges in the labor market and continued inflationary pressures; and (c) an increase to the discount rate as a result of the recent increases in interest rates which adversely affected the results of the quantitative impairment tests.

The uncertainty and volatility in the economic environment in which the Company operates could have an impact on the Company's future growth and could result in future impairment charges. There is no assurance that actual future earnings, cash flows or other assumptions for the reporting units will not significantly decline from these projections.

In connection with the Company's annual quantitative impairment test effective as of October 1, 2021, the Company concluded that the goodwill was not impaired for the year ended December 31, 2021. The fair value of the sales and marketing reporting units exceeded their carrying value by

23.8
% and

41.6
%, respectively, as of October 1, 2021.

Indefinite Lived Intangible Assets

The Company's indefinite-lived intangible assets are its sales and marketing trade names. Intangible assets with indefinite useful lives are not amortized but tested annually, at the beginning of the fourth quarter, for impairment or more often if events occur or

circumstances change that would create a triggering event. The Company has the option to perform a qualitative assessment of whether it is more likely than not that the indefinite-lived intangible asset's fair value is less than its carrying value before performing a quantitative impairment test. The Company tests its indefinite-lived intangible assets for impairment using a relief from royalty method by comparing the estimated fair values of the indefinite-lived intangible assets with the carrying values. The estimates used in the determination of fair value are subjective in nature and involve the use of significant assumptions. These estimates and assumptions include revenue growth rates, terminal growth rate, discount rates and royalty rate, all of which require significant management judgment. The assumptions are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy. The Company based its fair value estimates on assumptions it believes to be reasonable, but which are unpredictable and inherently uncertain. Actual future results may differ from the estimates.

In connection with the Company's annual quantitative impairment test effective as of October 1, 2023, the Company concluded that the indefinite-lived intangible assets were not impaired as of October 1, 2023. The fair value of the indefinite-lived intangible assets related to the sales trade name exceeded its carrying value by

23.2

% as of October 1, 2023. The fair value of the indefinite-lived intangible asset related to the marketing trade name exceeded its carrying value by

6.9

% as of October 1, 2023.

During the fourth quarter of 2023, the Company determined a triggering event occurred and an impairment assessment was warranted for the sales indefinite-lived trade name due to the deconsolidation of the Company's European joint venture and the planned divestitures of a collection of foodservice businesses, which was determined to be held for sale. Additionally, during the fourth quarter of 2023, the Company determined a triggering event occurred and an impairment assessment was warranted for the marketing indefinite-lived trade name due to the planned divestitures of a collection of foodservice businesses.

As a result, the Company recognized a non-cash intangible asset impairment charge of \$

43.5

million related to its indefinite-lived sales trade name during the year ended December 31, 2023, which has been reflected in "Impairment of goodwill and indefinite-lived assets" in the Consolidated Statements of Comprehensive (Loss) Income. The fair value of the indefinite-lived intangible assets related to sales and marketing trade names exceeded their carrying value by

0.0

% and

17.0

%, respectively, for the year ended December 31, 2023.

In connection with the Company's annual quantitative impairment test effective as of October 1, 2022, the Company concluded the carrying value of the indefinite-lived trade names in the sales and marketing reporting units exceeded their estimated fair values. As a result, the Company recognized non-cash intangible asset impairment charges of \$

146.0

million and \$

59.0

million related to the Company's indefinite-lived sales and marketing trade names, respectively, which has been reflected in "Impairment of goodwill and indefinite-lived assets" in the Company's Consolidated Statements of Comprehensive (Loss) Income. While there was no single determinative event or factor, the factors that led to the impairment were the same circumstances outlined in the goodwill impairment discussion above.

In connection with the Company's annual quantitative impairment test effective as of October 1, 2021, the Company concluded that the indefinite-lived intangible assets were not impaired. The fair value of the indefinite-lived intangible assets related to sales and marketing trade names exceeded their carrying value by

65.0

% and

33.3

%, respectively.

Long-Lived Assets

Long-lived assets to be held and used, including finite-lived intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. These events or changes in circumstances may include a significant deterioration of operating results, changes in business plans, or changes in anticipated future cash flows. If an impairment indicator is present, the Company evaluates recoverability by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If the assets are impaired, the impairment recognized is measured as the amount by which the carrying amount exceeds the fair value of the assets. Fair value is generally determined by estimates of discounted cash flows. The discount rate used in any estimate of discounted cash flows would be the rate required for a similar investment of like risk.

No

impairment related to the Company's long-lived assets were recorded during the years ended December 31, 2023, 2022, and 2021.

Contingent Consideration

Certain of the Company's acquisitions include contingent consideration arrangements, which are generally based on the achievement of future financial performance. If it is determined the contingent consideration arrangements are not compensatory, the fair values of these contingent

consideration arrangements are included as part of the purchase price of the acquisitions or divestitures on their respective transaction dates. For each transaction, the Company estimates the fair value of contingent consideration payments as part of the initial purchase price and records the estimated fair value of contingent consideration related to proceeds from

divestitures as an asset in "Other Assets" or related to purchases of businesses as a liability in "Other accrued expenses" or "Other long-term liabilities" in the Consolidated Balance Sheets.

The Company reviews and assesses the estimated fair value of contingent consideration on a quarterly basis, and the updated fair value could differ materially from these initial estimates. Adjustments to the estimated fair value related to changes in all other unobservable inputs are reported in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

The portion of the cash settlement up to the acquisition date fair value of the contingent consideration is classified as "Contingent consideration payments" in cash flows from financing activities, and amounts paid in excess of the acquisition date fair value are classified as "Other accrued expenses and other liabilities" in cash flows from operating activities in the Consolidated Statements of Cash Flows.

Leases

The Company has obligations under various real estate leases, equipment leases, and software license agreements. The Company assesses whether these arrangements are or contain leases at lease inception. Classification of the leases between financing and operating leases is determined by assessing whether the lease transfers ownership of the asset to the Company, the lease grants an option for the Company to purchase the underlying asset, the lease term is for the majority of the asset's remaining economic life, or if the minimum lease payments equal or substantially exceed all of the leased asset's fair market value. As of December 31, 2023, the Company's finance leases were not material. See Note 8, *Leases*, for further information regarding the Company's operating leases.

Self-Insurance Liability

The Company maintains a high deductible program for workers' compensation claims. Losses and liabilities relating to workers' compensation claims and employee medical claims are fully insured beyond the Company's deductible limits. The Company's estimated liabilities are not discounted and are based on information provided by third party administrators, combined with management's judgment regarding a number of assumptions and factors, including the frequency and severity of claims, claims development history, case jurisdiction, applicable legislation and claims settlement practices.

Revenue Recognition

The Company recognizes revenue when control of promised goods or services are transferred to the client in an amount that reflects the consideration that the Company expects to be entitled to in exchange for such goods or services. Substantially all of the Company's contracts with clients involve the transfer of a service to the client, which represents a performance obligation that is satisfied over time because the client simultaneously receives and consumes the benefits of the services provided. In most cases, the contracts consist of a performance obligation that is comprised of a series of distinct services that are substantially the same and that have the same pattern of transfer (i.e., distinct days of service). For these contracts, the Company allocates the ratable portion of the consideration based on the services provided in each period of service to such period.

Revenues related to the sales segment are primarily recognized in the form of commissions, fee-for-service, or on a cost-plus basis for providing headquarter relationship management, analytics, insights and intelligence services, administrative services, retail services, retailer client relationships and in-store media programs, and digital technology solutions (which include business intelligence solutions, e-commerce services, and content services).

Marketing segment revenues are primarily recognized in the form of fee-for-service (including retainer fees, fees charged to clients based on hours incurred, project-based fees, or fees for executing in-person consumer engagements or experiences, which engagements or experiences the Company refers to as "events"), commissions, or on a cost-plus basis for providing experiential marketing, shopper and consumer marketing services, private label development and digital, social, and media services.

The Company disaggregates revenues from contracts with clients by reportable segment. Revenues within each segment are further disaggregated between brand-centric services and retail-centric services. Brand-centric services are centered on providing

solutions to support manufacturers' sales and marketing strategies. Retail-centric services are centered on providing solutions to retailers. Disaggregated revenues were as follows:

	2023	Year Ended December 31, 2022	2021
(in thousands)			
Sales brand-centric services	1,362,612	\$ 1,364,673	\$ 1,292,639
Sales retail-centric services	1,082,403	1,142,344	1,031,245
Total sales revenues	2,445,015	2,507,017	2,323,884
Marketing brand-centric services	545,243	559,218	554,447
Marketing retail-centric services	1,234,588	983,507	723,967
Total marketing revenues	1,779,831	1,542,725	1,278,414
Total revenues	4,224,846	\$ 4,049,742	\$ 3,602,298

The Company is party to certain client contracts that include variable consideration, whereby the ultimate consideration is contingent on future events such as the client's sales to retailers, hours worked, event count, costs incurred, and performance incentive bonuses. For commission-based service contracts, the consideration received from the client is variable because the Company earns an agreed upon percentage of the client's sales to retailers, which is agreed upon on a manufacturer-by-manufacturer basis. Revenues are recognized for the commission earned during the applicable reporting period. The Company generally earns commission revenues from headquarter relationship management, analytics, insights and intelligence, e-commerce, administration, private label development and retail services arrangements. As part of these arrangements, the Company provides a variety of services to consumer goods manufacturers in order to improve the manufacturer's sales at retailers. This includes primarily outsourced sales, business development, category and space management, relationship management, and sales strategy services. In exchange for these services, the Company earns an agreed upon percentage of its client's sales to retailers, which is agreed upon on a manufacturer-by-manufacturer basis.

For service contracts whereby the client is charged a fee per hour incurred or fee per event completed, revenues are recognized over time as actual hours are incurred or as events are completed, respectively. For service contracts with a cost-plus arrangement, revenues are recognized on a gross basis over time for a given period based on the actual costs incurred plus a fixed mark-up fee that is negotiated on a client-by-client basis.

For certain contracts with clients, the Company is entitled to additional fees upon meeting specific performance goals or thresholds, which are referred to as bonus revenues. Bonus revenues are estimated and are recognized as revenues as the related services are performed for the client.

The variability of the consideration for the services transferred during a reporting period is typically resolved by the end of the reporting period. However, for certain client contracts, the Company is required to estimate the variable consideration for the services that have been transferred to the client during the reporting period. The Company typically estimates the variable consideration based on the expected value method. Estimates are based on historical experience and current facts known during the reporting period. The Company only recognizes revenues related to variable consideration if it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. When such probable threshold is not satisfied, the Company will constrain some or all of the variable consideration and the constrained variable consideration will not be recognized as revenues. The Company records an adjustment to revenue for differences between estimated revenues and the amounts ultimately invoiced to the client. Adjustments to revenue during the current period related to services transferred during prior periods were not material during the years ended December 31, 2023, 2022, and 2021.

The Company has contracts that include fixed consideration such as a fee per project or a fixed monthly fee. For contracts with a fee per project, revenues are recognized over time using an input method such as hours worked that reasonably depicts the Company's performance in transferring control of the services to the client. The Company determined that the input method represents a reasonable method to measure the satisfaction of the performance obligation to the client. For contracts with a fixed monthly fee, revenues are recognized using a time-based measure resulting in a straight-line revenue recognition. A time-based measure was determined to represent a reasonable method to measure the satisfaction of the performance obligation to the client because the Company has a stand ready obligation to make itself available to provide services upon the client's request or the client receives the benefit from the Company's services evenly over the contract period.

The Company evaluates each client contract individually in accordance with the applicable accounting guidance to determine whether the Company acts as a principal (whereby the Company would present revenues on a gross basis), or as an agent (whereby the Company would present revenues on a net basis). While the Company primarily acts as a principal in its arrangements and reports revenues on a gross basis, the Company will occasionally act as an agent and accordingly presents revenues on a net basis. For

example, for certain advertising arrangements, the Company's clients purchase media content in advance, and the Company does not take on any risk of recovering its cost to acquire the media content. As a result, the Company determined it acts as the agent in these arrangements and records revenues and their related costs on a net basis. However, in cases where media content is not purchased in advance by its clients, the Company records such revenues and its related costs on a gross basis, as it bears the risk of recovering the costs to acquire the revenues related to such media content and it is responsible for fulfillment of the services thereunder.

Substantially all of the Company's contracts with its clients either have a contract term that is less than one year with options for renewal and/or can be canceled by either party upon 30 to 120 days' notice. For the purpose of disclosing the transaction price allocated to remaining unsatisfied performance obligations or partially satisfied performance obligations, the Company elected policies to: (1) exclude contracts with a contract term of one year or less and (2) exclude contracts with variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct service that forms part of a single performance obligation when that performance obligation qualifies as a series of remaining performance obligations. After applying these policy elections, the Company determined that it does not have a significant amount of fixed consideration allocated to remaining performance obligations for contracts with a contract term that exceeds one year.

When the Company satisfies its performance obligation and recognizes revenues accordingly, the Company has a present and unconditional right to payment and records the receivable from clients in "Accounts receivable" in the Consolidated Balance Sheets. The Company's general payment terms are short-term in duration and the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Contract liabilities represent deferred revenues which are cash payments that are received in advance of the Company's satisfaction of the applicable obligation(s) and are included in "Deferred revenues" in the Consolidated Balance Sheets. Deferred revenues are recognized as revenues when the related services are performed for the client. Revenues recognized during the years ended December 31, 2023, 2022, and 2021, included \$

21.5
million, \$

34.3
million, and \$

37.2
million of deferred revenues from the respective prior years.

Income Taxes

The Company accounts for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carry- forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. The income tax provision (benefit) is computed on the pre-tax income (loss) of the entities located within each taxing jurisdiction based on current tax law. A valuation allowance for deferred tax assets is recorded to the extent that the ultimate realization of the deferred tax assets is not considered more likely than not. The Company believes its deferred tax assets are more likely than not to be realized based on historical and projected future results, or a valuation allowance is established.

Realization of the Company's deferred tax assets is principally dependent upon its achievement of future taxable income, the estimation of which requires significant management judgment. These judgments regarding future profitability may change due to many factors, including future market conditions and the Company's ability to successfully execute its business plans. These changes, if any, may require adjustments to deferred tax asset balances and deferred income tax expense.

Equity-based Compensation

The Company measures the cost of non-employee services received in exchange for an award of equity instruments based on the measurement date fair value consistent with the vesting of the awards and measuring the fair value of these units at the end of each measurement period. The cost is recognized over the requisite service period. The Company's equity-based compensation is based on grant date fair value determined utilizing the Backsolve Option Pricing Method ("OPM") for the Topco Common Series C Units and a combination of the OPM and Monte Carlo valuation model for the Topco Common Series C-2 Units.

Warrant Liability

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, *Distinguishing Liabilities from Equity* and ASC 815, *Derivatives and Hedging*. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's Common Stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment,

which requires the use of professional judgment, is conducted at the time of warrant issuance and on the date of issuance and remeasured to fair value at each balance sheet date thereafter.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as liabilities at their initial fair value on the date of issuance and remeasured to fair value at each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized in "Changes in fair value of warrant liability" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Based on the availability of sufficient observable information, the Company determines the fair value of the liability classified private placement warrants by approximating the value with the price of the public warrants at the respective period end, which is inherently less subjective and judgmental given it is based on observable inputs.

Other Comprehensive (Loss) Income

The Company's comprehensive (loss) income includes net income (loss) as well as foreign currency translation adjustments, net of tax. Unrealized foreign currency exchange gains and losses on certain intercompany transactions that are of a long-term investment nature (i.e., settlement is not planned or anticipated in the foreseeable future) are also recorded in accumulated other comprehensive (loss) income in stockholders' equity.

Fair Value Measurements

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1	—	Quoted prices in active markets for identical assets or liabilities.
Level 2	—	Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	—	Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The valuation techniques used to measure the fair value of all other financial instruments, all of which have counterparties with high credit ratings, were valued based on quoted market prices or model driven valuations using significant inputs derived from or corroborated by observable market data.

Variable Interest Entities and Investments

In accordance with the guidance for the consolidation of a variable interest entity ("VIE"), the Company analyzes its variable interests, including loans, leases, guarantees, and equity investments, to determine if the entity in which it has a variable interest is a VIE. The Company's analysis includes both quantitative and qualitative considerations. The Company bases its quantitative analysis on the forecasted cash flows of the entity, and its qualitative analysis on its review of the design of the entity, its organizational structure including decision-making ability and financial agreements. The Company also uses its quantitative and qualitative analyses to determine if it is the primary beneficiary of the VIE, and if such determination is made, it includes the accounts of the VIE in its consolidated financial statements.

Impact of the War in Ukraine

The Company recorded pretax charges of \$

2.8

million in the first quarter of 2022, primarily consisting of its proportionate share of the net investment in an indirect interest in Russian agencies in "Loss on divestitures" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. This relates to the Company's minority-interest holding in a European joint venture that has a minority interest in a European company that has majority-ownership interests in local agencies in Russia. As of December 31, 2023,

the European joint venture has completely written off its investment in this European company and no amounts pertaining to this European company remain on the Company's Consolidated Balance Sheets.

Recent Accounting Pronouncements

Accounting Standards Recently Issued but Not Yet Adopted by the Company

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): *Improvements to Income Tax Disclosures*, which requires entities to expand their existing income tax disclosures, specifically related to the rate reconciliation and income taxes paid. The standard is effective for the Company beginning in fiscal year 2025, with early adoption permitted. The new standard is expected to be applied prospectively, but retrospective application is permitted. The Company is currently evaluating the impact of ASU 2023-09 on the consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures*, which requires entities to disclose incremental segment information on an annual and interim basis, including significant segment expenses and measures of profit or loss that are regularly provided to the chief operating decision maker ("CODM"). The standard is effective for the Company beginning in fiscal year 2024 and interim periods within fiscal year 2025, with early adoption permitted. The Company is currently evaluating the impact of ASU 2023-07 on the consolidated financial statements and related disclosures and expects to adopt the new standard using a retrospective approach.

All other new accounting pronouncements issued, but not yet effective or adopted have been deemed to be not relevant to the Company and, accordingly, are not expected to have a material impact once adopted.

2. Acquisitions, Divestitures and Deconsolidation

2023 Foodservice Businesses Held for Sale

The Company has included businesses classified as held for sale within its continuing operations as their dispositions do not represent a strategic shift that will have a major effect on the Company's operations and financial results.

As of December 31, 2023, certain assets and liabilities of a collection of foodservice businesses were classified as held for sale in "Prepaid expenses and other current assets" and "Other accrued expenses" on the Company's Consolidated Balance Sheet. The collection of foodservice businesses were sold during the first quarter of 2024. As part of the sale, the foodservice businesses were combined with an entity owned by the buyer, with the Company receiving approximately \$

91.0
million, less estimated working capital adjustments and an ongoing

7.5
% stake in the entity with which the foodservice businesses will be combined.

The following table presents the carrying amounts of the major classes of the disposal group's assets and liabilities as of December 31, 2023:

	December 31, 2023
Carrying amounts of major classes of assets	
Accounts receivable	13,095
Prepaid and other current assets	\$ 2,128
Total current assets	15,223
Property and equipment	1,043
Goodwill	15,200
Other intangibles	12,719
Other noncurrent assets	1,122
Total assets	45,307
Carrying amounts of major classes of liabilities	
Accounts payable	\$ 1,555

Accrued compensation and benefits	1,475
Other accrued expenses	466
Deferred revenues	1,810
Other noncurrent liabilities	549
Total liabilities	5,855
Total net assets of the disposal group classified as held for sale	39,452

2023 Deconsolidation of ASL

On November 30, 2023 the Company reduced its equity interest in Advantage Smolian Limited ("ASL"), its European joint venture, from a majority interest of under

60
% to a minority interest of

49.6
% in exchange for \$

1.0
million in cash. The Company also removed certain participating rights with ASL related to capital allocation and certain of the Company's decision making rights, resulting in a loss of control. Therefore, in accordance with Accounting Standards Codification 810 ("ASC 810"), *Consolidation*, ASL was deconsolidated from the Company's consolidated financial statements. Effective December 1, 2023, the Company's investment in ASL is accounted for under the equity method of accounting, with the investment reported in "Investments in unconsolidated affiliates" on the Consolidated Balance Sheets and equity income (loss) reported in "Income from unconsolidated investments" on the Consolidated Statements of Operations and Other Comprehensive (Loss) Income. Transactions between the Company and ASL are considered to be related-party transactions from the date of deconsolidation.

The fair value of the Company's continuing investment in ASL of \$

91.9
million was determined at the date of deconsolidation, recorded within "Investments in unconsolidated subsidiaries" on the Consolidated Balance Sheets and is assessed for impairment at each reporting period. The estimated fair value of the underlying business was determined based on a combination of the income and market approaches. The income approach utilizes estimates of discounted cash flows for the underlying business, which requires assumptions for growth rates, EBITDA margins, terminal growth rate, discount rate, and incremental net working capital, all of which require significant management judgment. The market approach applies market multiples derived from historical earnings data of selected guideline publicly traded companies. The Company compared a weighted average of the output from the income and market approaches to compute the fair value of ASL. The assumptions in the income and market approach are based on significant inputs not observable in the market and thus represent Level 3 measurements within the fair value hierarchy (described in Note 1.) The difference between the carrying value of the assets and liabilities of ASL that were deconsolidated and the fair value of the continuing investment, as determined at the date of deconsolidation, was \$

58.9
million, before tax, and this gain on deconsolidation is reflected within the Company's Consolidated Statements of Operations and Other Comprehensive (Loss) Income for the year ended December 31, 2023. As a result of the ASL deconsolidation, the Company determined a triggering event occurred for the sales indefinite-lived trade name and a non-cash intangible asset impairment charge of \$43.5 million was recorded. As part of the Company derecognizing ASL, the Company attributed \$18.2 million of the Sales reporting unit goodwill to that business, which was derecognized and reflected in the calculated gain on sale. The Company determined that the remaining Sales reporting unit goodwill was not impaired.

ASL is party to transactions with the Company and its consolidated subsidiaries entered into in the normal course of business; these transactions include corporate expenses for services benefiting ASL. Up to the date of the deconsolidation, these transactions were eliminated on consolidation and had no impact on the Company's Consolidated Statements of Operations and Comprehensive (Loss) Income. After deconsolidating ASL, these transactions are treated as third-party transactions in the Company's financial statements. The amount of these related-party transactions is included within Note 14, *Related Parties*.

2023 Divestitures

During the year ended December 31, 2023, the Company recognized a loss on the sale of businesses of \$

19.1
million, as a component of "Loss on divestitures" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. The Company determined the sale of the businesses did not meet the criteria for classification as discontinued operations. The Company received \$

21.1
million of proceeds, which are net of transaction fees and holdbacks.

2022 Acquisitions

The Company acquired

four
businesses during the year ended December 31, 2022. The acquisitions were accounted for under the acquisition method of accounting. As such, the purchase consideration for each acquired business was allocated to the acquired tangible and intangible assets and liabilities assumed based upon their respective fair values. Assets acquired and liabilities assumed in the business combinations were recorded on the Company's financial statements as of the acquisition date based upon the estimated fair value at such date. The excess of the purchase consideration over the estimated fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill. The results of operations of each acquired business has been included in the Consolidated Statements of Operations and Comprehensive (Loss) Income since its respective date of acquisition.

The aggregate purchase price for the acquisitions referenced above was \$

75.5
million, which includes \$

74.2
million paid in cash, \$

0.5
million recorded as contingent consideration liabilities, and \$

0.8
million recorded as holdback amounts. Contingent consideration payments are determined based on future financial performance and payment

obligations (as defined in the applicable purchase agreement) and are recorded at fair value. The maximum potential payment outcome related to the acquisitions is \$

1.6

million. Holdback amounts are used to withhold a portion of the initial purchase price payment until certain post-closing conditions are satisfied and are typically settled within 24 months of the acquisition. The goodwill related to the acquisitions represented the

value paid for the assembled workforce, geographic presence, and expertise. Of the resulting goodwill relating to these acquisitions, \$

1.0
million is deductible for tax purposes.

The fair values of the identifiable assets and liabilities of the acquisitions less post-close adjustments related to working capital completed during the year ended December 31, 2022, as of the applicable acquisition dates, are as follows:

(in thousands)

Consideration:

Cash	\$ 74,206
Holdback	810
Fair value of contingent consideration	510
Total consideration	\$ 75,526
Recognized amounts of identifiable assets acquired and liabilities assumed:	
<i>Assets</i>	
Accounts receivable	\$ 6,817
Other assets	3,446
Identifiable intangible assets	25,546
Total assets	35,809
<i>Liabilities</i>	
Accounts payable	7,363
Deferred tax liabilities and other	8,546
Total liabilities	15,909
Redeemable noncontrolling interest	1,987
Noncontrolling interest	974
Total identifiable net assets	16,939
Goodwill arising from acquisitions	\$ 58,587

The identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives. The fair value and estimated useful lives of the intangible assets acquired are as follows:

(in thousands)	Amount	Weighted Average Useful Life
Client relationships	24,413	6 years
Trade names	\$ 1,133	5 years
Total identifiable intangible assets	<u>25,546</u>	

The operating results of the businesses acquired during the year ended December 31, 2022 contributed total revenues of \$

35.2

million during the year ended December 31, 2022. The Company has determined that the presentation of net income (loss) from the date of acquisition is impracticable due to the integration of the operations upon acquisition.

During the year ended December 31, 2022, the Company incurred \$

0.8

million in transaction costs related to the acquisitions described above. These costs have been included in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

2021 Acquisitions

The Company acquired

six

businesses during the year ended December 31, 2021. The acquisitions were accounted for under the acquisition method of accounting. As such, the purchase consideration for each acquired business was allocated to the acquired tangible and intangible assets and liabilities assumed based upon their respective fair values. Assets acquired and liabilities assumed in the business combination were recorded on the Company's financial statements as of the acquisition date based upon the estimated fair value at such date. The excess of the purchase consideration over the estimated fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill. The allocation of the excess purchase price was based upon preliminary estimates and assumptions. The results of operations of each acquired business has been included in the Consolidated Statements of Operations and Comprehensive (Loss) Income since its respective date of acquisition.

The aggregate purchase price for the acquisitions referenced above was \$

76.0
million, which includes \$

42.7
million paid in cash, \$

19.8
million recorded as contingent consideration liabilities, and \$

13.5

million recorded as holdback amounts. Contingent consideration payments are determined based on future financial performance and payment obligations (as defined in the applicable purchase agreement) and are recorded at fair value. The maximum potential payment outcome related to the acquisitions is \$

71.4

million. Holdback amounts are used to withhold a portion of the initial purchase price payment until certain post-closing conditions are satisfied and are typically settled within 24 months of the acquisition. The goodwill related to the acquisitions represented the value paid for the assembled workforce, geographic presence, and expertise. Of the resulting goodwill relating to these acquisitions, \$

14.3

million is deductible for tax purposes.

The fair values of the identifiable assets and liabilities of the acquisitions completed during the year ended December 31, 2021, at the respective acquisition dates, are as follows:

(in thousands)	
Consideration	
Cash	42,668
Holdbacks	\$ 13,464
Fair value of contingent consideration	19,832
Total consideration	75,964
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Assets	
Accounts receivable	12,677
Other assets	\$ 4,315
Property and equipment	998
Identifiable intangible assets	35,571
Total assets	53,561
Liabilities	
Total liabilities	21,206
Redeemable noncontrolling interest	1,793

Total identifiable net assets	30,562
Goodwill arising from acquisitions	45,402

The identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives. The fair value and estimated useful lives of the intangible assets acquired are as follows:

(in thousands)	Amount	Weighted Average Useful Life
Client relationships	27,387	7 years
Trade names	5,084	5 years
Developed technology	3,100	7 years
Total identifiable intangible assets	35,571	

The operating results of the businesses acquired during the year ended December 31, 2021 contributed total revenues of \$

75.9 million during the year ended December 31, 2021. The Company has determined that the presentation of net income (loss) from the date of acquisition is impracticable due to the integration of the operations upon acquisition.

During the year ended December 31, 2021, the Company incurred \$ 1.6 million, in transaction costs related to the acquisitions described above. These costs have been included in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

3. Goodwill and Intangible Assets

Changes in goodwill for the years ended December 31, 2023 and 2022, are as follows:

(in thousands)	Sales	Marketing	Total
Gross carrying amount as of January 1, 2022			
Accumulated impairment charge	\$ 2,144,771	\$ 713,233	\$ 2,858,004
	()	()	()
	652,000	—	652,000
Balance at January 1, 2022			
	1,492,771	713,233	2,206,004
Acquisitions			
	5,732	52,855	58,587
Measurement period adjustments	()	()	()
	392	—	392
Impairment charge	()	()	()
	1,275,719	91,804	1,367,523
Foreign exchange translation effects	()	()	()
	8,727	—	8,727
Balance at December 31, 2022			
	213,665	674,284	887,949
Measurement period adjustments			
	350	—	350
Divestitures	()	()	()
	2,727	—	2,727
Foodservice businesses held for sale	()	()	()
	6,900	8,300	15,200
Deconsolidation of subsidiaries	()	()	()
	18,193	—	18,193
Foreign exchange translation effects			
	3,212	—	3,212
Balance at December 31, 2023			
	\$ 189,407	\$ 665,984	\$ 855,391

During the fiscal year ended December 31, 2022, the Company recognized non-cash goodwill impairment charges of \$

1,275.7
million and \$

91.8

million related to the Company's sales and marketing reporting units, respectively, as a result of the Company's annual evaluation of goodwill impairment test (as further described in Note 1 above). Accumulated impairment losses to goodwill were \$

2,019.5

million as of December 31, 2023 and 2022.

The following tables set forth information for intangible assets:

		December 31, 2023			
(amounts in thousands)	Weighted Average Useful Life	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment Charges	Net Carrying Value
Finite-lived intangible assets:					
Client relationships					
Trade names	14 years	\$ 2,335,872	\$ 1,444,375	\$ —	\$ 891,497
Developed technology	10 years	88,600	53,493	—	35,107
Total finite-lived intangible assets ⁽¹⁾		3,100	1,070	—	2,030
		2,427,572	1,498,938	—	928,634
Indefinite-lived intangible assets:					
Trade names					
		1,480,000	—	828,500	651,500
Total other intangible assets		3,907,572	1,498,938	828,500	1,580,134
		December 31, 2022			
(amounts in thousands)	Weighted Average Useful Life	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment Charges	Net Carrying Value
Finite-lived intangible assets:					
Client relationships					
Trade names	14 years	\$ 2,488,802	\$ 1,338,381	\$ —	\$ 1,150,421
Developed technology	10 years	97,009	47,986	—	49,023
Total finite-lived intangible assets ⁽¹⁾		7,500	4,441	—	3,059
		2,593,311	1,390,808	—	1,202,503
Indefinite-lived intangible assets:					
Trade names					
		1,480,000	—	785,000	695,000
Total other intangible assets		4,073,311	1,390,808	785,000	1,897,503

(1) Intangible assets, along with the related accumulated amortization, are removed from the table above at the end of the fiscal year they become fully amortized.

As of December 31, 2023, estimated future amortization expenses of the Company's finite-lived intangible assets are as follows:

(in thousands)	
2024	\$ 182,811
2025	177,061
2026	173,552
2027	171,862
2028	136,426
Thereafter	86,922
Total amortization expense	\$ 928,634

The Company records all intangible assets at their respective fair values and assesses the estimated useful lives of the assets at the time of acquisition. Client relationships were valued using the multi-period excess earnings method under the income approach. The values of client relationships are generally regarded as the estimated economic benefit derived from the incremental revenues and related cash flows as a direct result of the client relationships in place versus having to replicate them. Further, the Company evaluated the legal, regulatory, contractual, competitive, economic or other factors in determining the useful life. Trade names were valued using the relief-from-royalty method under the income approach. This method relies on the premise that, in lieu of ownership, a company would be willing to pay a royalty to obtain access to the use and benefits of the trade names. The Company has considered its sales and marketing trade names related to the 2014 Topco Acquisition to be indefinite, as there is no foreseeable limit on the period of time over which such trade names are expected to contribute to the cash flows of the reporting entity. Further, the Company evaluated legal, regulatory, contractual, competitive, economic and other factors in determining the useful life.

In connection with the acquisitions during the year ended December 31, 2022, the Company recorded intangible assets of \$ 25.6 million. Amortization expenses included in the Consolidated Statements of Operations and Comprehensive (Loss) Income for the years ended December 31, 2023, 2022 and 2021 were \$

196.4 million, \$

200.8 million, and \$

198.9 million, respectively.

During the year ended December 31, 2023, the Company recognized a non-cash intangible asset impairment charge of \$ 43.5 million related to the Company's indefinite-lived sales trade name, in connection with the Company's deconsolidation of its European joint venture and planned disposition of its foodservice businesses (as further described in Notes 1 and 2 above). During the year ended December 31, 2022, the Company recognized non-cash intangible asset impairment charges of \$

146.0 million and \$

59.0 million related to the Company's indefinite-lived sales and marketing trade names, respectively, in connection with the Company's annual intangible asset impairment test on October 1, 2022 (as further described in Note 1 above).

No impairment related to the Company's intangible assets was recorded for the year ended December 31, 2021.

During fiscal year 2022, the Company concluded the impact of challenges in the labor market and continued inflationary pressures was an

indicator that impairment may exist related to its client relationship intangible assets and as a result, the Company performed a recoverability test and determined that there was no impairment.

4. Prepaid Expenses and Other Assets

Prepaid expenses and other current assets consist of the following:

	December 31,	
	2023	2022
(in thousands)		
Assets held for sale		
	\$ 45,307	\$ 4,959
Prepaid expenses		
	43,767	46,547
Inventory and supplies		
	29,731	78,273
Interest rate caps		
	26,279	—
Other receivables		
	10,898	6,604
Prepaid income taxes		
	2,889	7,385
Other current assets		
	7,069	5,708
Total prepaid expenses and other current assets		
	\$ 165,940	\$ 149,476

Inventory is stated at the lower of cost and net realizable value. Costs are determined on the first-in, first-out basis. The Company records write-downs of inventories which are obsolete or in excess of anticipated demand or net realizable value based on a consideration of marketability, historical sales and demand forecasts which consider assumptions about future demand and market conditions.

Other assets consist of the following:

	December 31,	
	2023	2022
(in thousands)		
Operating lease right-of-use assets		
	\$ 35,765	\$ 61,744
Interest rate caps		
	65	47,493
Deposits		
	3,642	4,596
Workers' compensation receivable		
	3,941	3,525
Other long-term assets		
	3,048	2,164
Total other assets		
	\$ 46,461	\$ 119,522

5. Property and Equipment

Property and equipment consist of the following:

	December 31	
	2023	2022
(in thousands)		
Software		
	\$ 121,403	\$ 129,329
Computer hardware		
	61,067	55,736
Leasehold improvements		
	19,222	20,860
Furniture, fixtures, and other		
	4,995	10,473
Total property and equipment		
	\$ 206,687	\$ 216,398
Less: accumulated depreciation	(132,777)	(145,500)

Total property and equipment, net

\$	<u>73,910</u>	\$	<u>70,898</u>
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Depreciation expense was \$

28.3
million, \$

32.2
million, and \$

41.1
million related to property and equipment for the years ended December 31, 2023, 2022, and 2021, respectively.

6. Other Liabilities

Other accrued expenses consist of the following:

	December 31, 2023	2022
(in thousands)		
Accrued interest payable	\$ 35,637	\$ 33,168
Contingent consideration	18,355	1,674
Operating lease liabilities	15,204	21,584
Taxes	10,948	7,286
General liability insurance reserve	12,926	12,937
Client deposits	11,516	16,521
Rebates due to retailers	11,432	12,693
Client refunds related to the Take 5 Matter	9,416	9,416
Employee medical self-insurance reserves	8,864	10,007
Liabilities held for sale	5,855	—
Holdbacks	—	2,247
Other accrued expenses	12,862	5,640

Total other accrued expenses

\$	153,015	\$	133,173
<hr/>		<hr/>	

Other long-term liabilities consist of the following:

	December 31, 2023	2022
(in thousands)		
Operating lease liabilities		
	\$ 35,441	\$ 56,371
Workers' compensation		
	\$ 35,025	\$ 32,377
Contingent consideration		
	117	18,660
Other long-term liabilities		
	5,664	3,146
Total other long-term liabilities		
	<u>\$ 76,247</u>	<u>\$ 110,554</u>

Under the workers' compensation programs, the estimated liability for claims incurred but unpaid at December 31, 2023 and 2022 were \$

63.0 million and \$

57.2 million, respectively. These amounts include reported claims as well as claims incurred but not reported. As of December 31, 2023, \$

28.0 million and \$

35.0 million of this liability was included in the "Accrued compensation and benefits" and "Other long-term liabilities" in the Consolidated Balance Sheets, respectively. As of December 31, 2022, \$

24.8 million and \$

32.4 million of this liability was included in the "Accrued compensation and benefits" and "Other long-term liabilities" in the Consolidated Balance Sheets, respectively. In connection with its deductible limits, the Company has standby letters-of-credit in the amount of \$

44.1 million and \$

44.5 million as of December 31, 2023 and 2022, respectively, and \$

16.0 million surety bond as of such years supporting the estimated unpaid claim liabilities.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") (as further described in Note 15, *Income Taxes*) provides for deferred payment of the employer portion of social security taxes between March 27, 2020 and December 31, 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. The Company began deferring payment of the employer share of the social security taxes in April 2020. The Company repaid \$

23.8 million and \$

24.0 million during the years ended December 31, 2022 and December 31, 2021, respectively, and as a result of such payments,

no payments were made during the year ended December 31, 2023 and

no amounts were owed as of December 31, 2023.

Contingent Consideration Liabilities

Each reporting period, the Company measures the fair value of its contingent liabilities by evaluating the significant unobservable inputs and probability weightings using Monte Carlo simulations. Any resulting decreases or increases in the fair value result in a corresponding gain or loss reported in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. The Company has reassessed the fair value of contingent consideration based on the achievement of performance targets as defined in the respective purchase agreements and it resulted in a fair value adjustment of a \$

10.4 million loss that was included in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. As of December 31, 2023, the maximum potential payment outcomes were \$

50.9 million.

The following table summarizes the changes in the carrying value of the contingent consideration liabilities:

	December 31,	
	2023	2022
(in thousands)		
Beginning of the period		
	\$ 20,334	\$ 58,366
Fair value of acquisitions		
	—	510
Changes in fair value		
	10,362	4,774
Payments		
	(11,941)	(42,711)
Foreign exchange translation effects		
	(283)	(605)
End of the period		
	\$ 18,472	\$ 20,334

7. Debt

	December 31,	
	2023	2022
(in thousands)		
Term Loan Facility		
	\$ 1,149,057	\$ 1,298,500
Senior Secured Notes		
	743,000	775,000
Government loans for COVID-19 relief and other		
	5,398	5,687
Total long-term debt		
	1,897,455	2,079,187
Less: current portion		
	13,580	13,991
Less: debt issuance costs		
	31,091	42,377
Long-term debt, net of current portion		
	\$ 1,852,784	\$ 2,022,819

Senior Secured Credit Facilities

Effective October 28, 2020, Advantage Sales & Marketing Inc., an indirect wholly-owned subsidiary of the Company (the "Borrower"), entered into (i) a senior secured asset-based revolving credit facility in an aggregate principal amount of up to \$

400.0 million, subject to borrowing base capacity (as amended and/or restated from time to time, the "Revolving Credit Facility") and (ii) a secured first lien term loan credit facility in an aggregate principal amount of \$

1.325 billion (as amended and/or restated from time to time, the "Term Loan Facility" and together with the Revolving Credit Facility, the "Senior Secured Credit Facilities").

Revolving Credit Facility

The Revolving Credit Facility provides for revolving loans and letters of credit in an aggregate amount of up to \$

500.0 million, subject to borrowing base capacity. Letters of credit are limited to the lesser of (a) \$

150.0 million and (b) the aggregate unused amount of commitments under the Revolving Credit Facility then in effect. Loans under the Revolving Credit Facility may be denominated in either U.S. dollars or Canadian dollars. Bank of America, N.A. ("Bank of America"), will act as administrative agent and collateral agent. The Revolving Credit Facility matures five years after the date the Company enters into the Company's Revolving Credit Facility. The Borrower may use borrowings under the Revolving Credit Facility to fund working capital and for other general corporate purposes, including permitted acquisitions and other investments.

Borrowings under the Revolving Credit Facility are limited by borrowing base calculations based on the sum of specified percentages of eligible accounts receivable plus specified percentages of qualified cash, minus the amount of any applicable reserves. Borrowings will bear interest at a floating rate, which can be either an adjusted Term SOFR or Alternative Currency Spread rate plus an applicable margin or, at the Borrower's option, a base rate or Canadian Prime Rate plus an applicable margin. The applicable margins for the Revolving Credit Facility are

1.75%,

2.00% or

2.25%, with respect to Term SOFR or Alternative Currency Spread rate borrowings and

0.75

%,

1.00
%, or

1.25

%, with respect to base rate or Canadian Prime Rate borrowings, in each case depending on average excess availability under the Revolving Credit Facility. The Borrower's ability to draw under the Revolving Credit Facility or issue letters of credit thereunder will be conditioned upon, among other things, the Borrower's delivery of prior written notice of a borrowing or issuance, as applicable, the Borrower's ability to reaffirm the representations and warranties contained in the credit agreement governing the Revolving Credit Facility and the absence of any default or event of default thereunder.

The Borrower's obligations under the Revolving Credit Facility are guaranteed by Karman Intermediate Corp. ("Holdings") and all of the Borrower's direct and indirect wholly owned material U.S. subsidiaries (subject to certain permitted exceptions) and Canadian subsidiaries (subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets and revenues of Canadian subsidiaries) (the "Guarantors"). The Revolving Credit Facility is secured by a lien on substantially all of Holdings', the Borrower's and the Guarantors' assets (subject to certain permitted exceptions). The Revolving Credit Facility has a first-priority lien on the current asset collateral and a second-priority lien on security interests in the fixed asset collateral (second in priority to the liens securing the Notes and the Term Loan Facility discussed below), in each case, subject to other permitted liens.

The Revolving Credit Facility has the following fees: (i) an unused line fee of

0.375
% or

0.250

% per annum of the unused portion of the Revolving Credit Facility, depending on average excess availability under the Revolving Credit Facility; (ii) a letter of credit participation fee on the aggregate stated amount of each letter of credit equal to the applicable margin for adjusted Eurodollar rate loans, as applicable; and (iii) certain other customary fees and expenses of the lenders and agents thereunder.

The Revolving Credit Facility contains customary covenants, including, but not limited to, restrictions on the Borrower's ability and that of its subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, make acquisitions, loans, advances or investments, pay dividends, sell or otherwise transfer assets, optionally prepay or modify terms of any junior indebtedness, enter into transactions with affiliates or change its line of business. The Revolving Credit Facility will require the maintenance of a fixed charge coverage ratio (as set forth in the credit agreement governing the Revolving Credit Facility) of 1.00 to 1.00 at the end of each fiscal quarter when excess availability is less than the greater of \$

25.0
million and

10
% of the lesser of the borrowing base and maximum borrowing capacity. Such fixed charge coverage ratio will be tested at the end of each quarter until such time as excess availability exceeds the level set forth above.

The Revolving Credit Facility provides that, upon the occurrence of certain events of default, the Borrower's obligations thereunder may be accelerated and the lending commitments terminated. Such events of default include payment defaults to the lenders thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness, voluntary and involuntary bankruptcy, insolvency, corporate arrangement, winding-up, liquidation or similar proceedings, material money judgments, material pension-plan events, certain change of control events and other customary events of default.

On October 28, 2021, the Borrower and Holdings also entered into the First Amendment to ABL Revolving Credit Agreement (the "ABL Amendment"), which amended the ABL Revolving Credit Agreement, dated October 28, 2020, by and among the Borrower, Holdings, the lenders from time-to-time party thereto and Bank of America, as administrative agent. The ABL Amendment was entered into by the Borrower to amend certain terms and provisions, including (i) reducing the interest rate floor for Eurocurrency rate loans from

0.50
% to

0.00
% and base rate loans from

1.50
% to

1.00
, and (ii) updating the provisions by which U.S. Dollar LIBOR will eventually be replaced with SOFR or another interest rate benchmark to reflect the most recent standards and practices used in the industry. The ABL amendment was deemed to be a modification of the revolving credit facility for accounting purposes.

On December 2, 2022, the Borrower, Holdings and certain of the Borrower's subsidiaries, entered into the Second Amendment to ABL Revolving Credit Agreement (the "Second Amendment"), which amends the ABL Revolving Credit Agreement, by and among the Borrower, Holdings, the lenders from time to time party thereto and Bank of America, as administrative agent, and the other parties thereto. The Second Amendment was entered into by the Borrower to amend certain terms and provisions of the Revolving Credit Facility, including, among other things: (i) increasing the aggregate amount of maximum revolving commitments available from \$

400
million to \$

500
million; (ii) replacing the Eurocurrency Rate interest rate metric with a metric based on Term SOFR (as defined in the Second Amendment), whereby applicable borrowings in United States dollars will bear interest at a floating rate based on Term SOFR plus an applicable margin; (iii) reducing each applicable interest rate pricing tier based on the Average Historical Excess Availability (as defined therein) with respect to Term SOFR borrowings, Alternative Currency borrowings, base rate borrowings and Canadian Prime Rate borrowings, in each case for each pricing tier by

0.25
% per annum; and (iv) extending the scheduled maturity date of the borrowings to December 2, 2027.

Term Loan Facility

The Term Loan Facility consists of a term loan credit facility denominated in U.S. dollars in an aggregate outstanding principal amount of \$

1.149
billion. Borrowings under the Term Loan Facility amortize in equal quarterly installments in an amount equal to

1.00
% per annum of the principal amount. Borrowings will bear interest at a floating rate of Term SOFR plus an applicable margin of

4.50
% per annum, subject to additional spread adjustment on SOFR ranging from

0.11
% to

0.26
%.

The Borrower may voluntarily prepay loans or reduce commitments under the Term Loan Facility, in whole or in part, subject to minimum amounts, with prior notice but without premium or penalty. The Company voluntarily repurchased an aggregate of \$

136.2
million principal amount of its Term Loan Facility during the year ended December 31, 2023. The Company recognized a gain on the repurchase of

\$

7.7

million for the year ended December 31, 2023, as a component of "Interest expense, net" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

The Borrower will be required to prepay the Term Loan Facility with

100

% of the net cash proceeds of certain asset sales (such percentage subject to reduction based on the achievement of specific first lien net leverage ratios) and subject to certain reinvestment rights,

100

% of the net cash proceeds of certain debt issuances and

50

% of excess cash flow (such percentage subject to reduction based on the achievement of specific first lien net leverage ratios). The Borrower was not required to make any excess cash flow payment for the year ended December 31, 2023, and the Borrower did not make any other mandatory or voluntary prepayments of the Term Loan Facility for the years ended December 31, 2023 and 2022.

The Borrower's obligations under the Term Loan Facility are guaranteed by Holdings and the Guarantors. The Term Loan Facility is secured by a lien on substantially all of Holdings', the Borrower's and the Guarantors' assets (subject to certain permitted exceptions). The Term Loan Facility has a first- priority lien on the fixed asset collateral (equal in priority with the liens securing the

Notes) and a second-priority lien on the current asset collateral (second in priority to the liens securing the Revolving Credit Facility), in each case, subject to other permitted liens.

The Term Loan Facility contains certain customary negative covenants, including, but not limited to, restrictions on the Borrower's ability and that of its restricted subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, pay dividends or make other restricted payments, sell or otherwise transfer assets or enter into transactions with affiliates.

The Term Loan Facility provides that, upon the occurrence of certain events of default, the Company's obligations thereunder may be accelerated. Such events of default will include payment defaults to the lenders thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness, voluntary and involuntary bankruptcy, insolvency, corporate arrangement, winding-up, liquidation or similar proceedings, material money judgments, change of control and other customary events of default.

On October 28, 2021, the Borrower, together Holdings and certain of the Borrower's subsidiaries, entered into Amendment No. 1 to the First Lien Credit Agreement (the "First Lien Amendment"), which amended the Term Loan Facility, dated October 28, 2020, by and among the Borrower, Holdings, Bank of America, as administrative agent and collateral agent, each lender party from time to time thereto, and the other parties thereto. The First Lien Amendment was entered into by the Borrower to reduce the applicable interest rate on the term loan to

5.25

% per annum. Additional terms and provisions amended include (i) resetting the period for six months following October 28, 2021 in which a

1.00

% prepayment premium shall apply to any prepayment of the term loan in connection with certain repricing events, and (ii) updating the provisions by which U.S. Dollar LIBOR will eventually be replaced with SOFR or another interest rate benchmark to reflect the most recent standards and practices used in the industry. The First Lien Amendment was deemed to be a modification of the term loan facility for accounting purposes. In connection with the First Lien Amendment, the Company incurred \$

2.3

million of third-party fees and expenses and recognized \$

1.5

million of non-cash expense on the extinguishment of debt from write off of unamortized debt issuance costs which were recorded in "Interest expense, net" in the Consolidated Statements of Operations and Comprehensive (Loss) Income during the year ended December 31, 2021. In May 2023, the Company amended the Term Loan Facility to replace the U.S. Dollar LIBOR provisions with SOFR, effective June 30, 2023.

Senior Secured Notes

Effective as of October 28, 2020, Advantage Solutions FinCo LLC ("Finco") issued \$

775.0

million aggregate principal amount of

6.50

% Senior Secured Notes due 2028 (the "Notes"). Substantially concurrently with the issuance of the Notes, Finco merged with and into Advantage Sales & Marketing Inc. (the "Issuer"), with the Issuer continuing as the surviving entity and assuming the obligations of Finco. The Notes were sold to certain financial institutions and the Notes were then resold to certain non-U.S. persons pursuant to Regulation S under the Securities Act of 1933, as amended (the "Securities Act"), and to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act at a purchase price equal to

100

% of their principal amount. The terms of the Notes are governed by an Indenture, dated as of October 28, 2020 (the "Indenture"), among Finco, the Issuer, the guarantors named therein (the "Notes Guarantors") and Wilmington Trust, National Association, as trustee and collateral agent.

Interest and maturity

Interest on the Notes is payable semi-annually in arrears on May 15 and November 15 at a rate of 6.50% per annum, commencing on May 15, 2021. The Notes will mature on November 15, 2028.

Guarantees

The Notes are guaranteed by Holdings and each of the Issuer's direct and indirect wholly owned material U.S. subsidiaries (subject to certain permitted exceptions) and Canadian subsidiaries (subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets and revenues of Canadian subsidiaries) that is a borrower or guarantor under the Term Loan Facility.

Security and ranking

The Notes and the related guarantees are the general, senior secured obligations of the Issuer and the Notes Guarantors, are secured on a first-priority *pari passu* basis by security interests on the fixed asset collateral (equal in priority with liens securing the Term Loan Facility), and are secured on a second-priority basis by security interests on the current asset collateral (second in priority to the liens securing the Revolving Credit Facility and equal in priority with liens securing the Term Loan Facility), in each case, subject to certain limitations and exceptions and permitted liens.

The Notes and related guarantees rank (i) equally in right of payment with all of the Issuer's and the Guarantors' senior indebtedness, without giving effect to collateral arrangements (including the Senior Secured Credit Facilities) and effectively equal to all of the Issuer's and the Guarantors' senior indebtedness secured on the same priority basis as the Notes, including the Term Loan Facility, (ii) effectively subordinated to any of the Issuer's and the Guarantors' indebtedness that is secured by assets that do not constitute collateral for the Notes to the extent of the value of the assets securing such indebtedness and to indebtedness that is secured by a senior-priority lien, including the Revolving Credit Facility to the extent of the value of the current asset collateral and (iii) structurally subordinated to the liabilities of the Issuer's non-Guarantor subsidiaries.

Optional redemption for the Notes

The Notes are redeemable on or after November 15, 2023 at the applicable redemption prices specified in the Indenture plus accrued and unpaid interest. The Notes were also redeemable at any time prior to November 15, 2023 at a redemption price equal to

100

% of the aggregate principal amount of such Notes to be redeemed plus a "make-whole" premium, plus accrued and unpaid interest. In addition, the Issuer could have redeemed up to

40

% of the original aggregate principal amount of Notes before November 15, 2023 with the net cash proceeds of certain equity offerings at a redemption price equal to

106.5

% of the aggregate principal amount of such Notes to be redeemed, plus accrued and unpaid interest. Furthermore, prior to November 15, 2023, the Issuer could have redeemed during each calendar year up to

10

% of the original aggregate principal amount of the Notes at a redemption price equal to

103

% of the aggregate principal amount of such Notes to be redeemed, plus accrued and unpaid interest. If the Issuer or its restricted subsidiaries sell certain of their respective assets or experience specific kinds of changes of control, subject to certain exceptions, the Issuer must offer to purchase the Notes at par. In connection with any offer to purchase all Notes, if holders of no less than

90

% of the aggregate principal amount of Notes validly tender their Notes, the Issuer is entitled to redeem any remaining Notes at the price offered to each holder. The Borrower may voluntarily prepay loans or reduce commitments under the Notes, in whole or in part without premium or penalty at a mutually agreeable rate between the buyer and the seller. During the year ended December 31, 2023, the Borrower repurchased Notes with a par value of \$

32.0

million for \$

28.0

million.

Restrictive covenants

The Notes are subject to covenants that, among other things limit the Issuer's ability and its restricted subsidiaries' ability to: incur additional indebtedness or guarantee indebtedness; pay dividends or make other distributions in respect of, or repurchase or redeem, the Issuer's or a parent entity's capital stock; prepay, redeem or repurchase certain indebtedness; issue certain preferred stock or similar equity securities; make loans and investments; sell or otherwise dispose of assets; incur liens; enter into transactions with affiliates; enter into agreements restricting the Issuer's subsidiaries' ability to pay dividends; and consolidate, merge or sell all or substantially all of the Issuer's assets. Most of these covenants will be suspended on the Notes when they have investment grade ratings from both Moody's Investors Service, Inc. and S&P Global Ratings and so long as no default or event of default under the Indenture has occurred and is continuing.

Events of default

The following constitute events of default under the Notes, among others: default in the payment of interest; default in the payment of principal; failure to comply with covenants; failure to pay other indebtedness after final maturity or acceleration of other indebtedness exceeding a specified amount; certain events of bankruptcy; failure to pay a judgment for payment of money exceeding a specified aggregate amount; voidance of subsidiary guarantees; failure of any material provision of any security document or intercreditor agreement to be in full force and effect; and lack of perfection of liens on a material portion of the collateral, in each case subject to applicable grace periods.

Government Loans for COVID-19 Relief

On May 25, 2020, a majority owned subsidiary of the Company operating in Japan entered into two loan agreements with a bank lender pursuant to a local government loan program. Subsequently, one of the loans was refinanced on October 26, 2020. The loans, bear interest rates of

1.82

% and

1.83

% per annum with maturity dates of May 27, 2029 and October 27, 2029, respectively, and the amounts under the loans will be repayable to the lender in monthly installments.

On December 28, 2021, the same subsidiary entered into a loan agreement from the bank lender pursuant to a local government loan program. The purpose of the loan is to use the borrowed funds for working capital and to fund the anticipated recovery of business operations from the COVID-19 pandemic. The loan bears an interest rate of

0.35

% per annum until December 24, 2024, at which time the loan will bear an interest rate of

1.25
% until the maturity date of December 31, 2036 .

On April 18, 2023, the same subsidiary entered into a loan agreement from the bank lender pursuant to a local government loan program. The purpose of the loan is to use the borrowed funds for working capital and to fund the anticipated recovery of business

operations from the COVID-19 pandemic. Half of the loan bears an interest rate of

1.70

% per annum until the maturity date of April 30, 2043 . The remainder of the loan bears an interest rate of

0.80

% per annum until April 18, 2026 , at which time the loan will bear an interest rate of

1.70

% until the maturity date of April 30, 2043 .

As of December 31, 2023 and 2022, the Company had aggregate principal amounts of \$

5.3

million and \$

4.5

million borrowings outstanding, respectively, associated with government loan programs for relief associated with the COVID-19 pandemic.

Debt Maturities

Future minimum principal payments on long-term debt are as follows:

(in thousands)	\$
2024	13,580
2025	13,760
2026	13,764
2027	1,109,811
2028	743,557
Thereafter	2,983
Total future minimum principal payments	<u>1,897,455</u>

8. Leases

The Company leases facilities, and equipment under noncancelable leases that have been classified as operating leases for financial reporting purposes. These leases often include one or more options to renew and the lease term includes the renewal terms when it is reasonably certain that the Company will exercise the option. In general, for the Company's material leases, the renewal options are not included in the calculation of its right-of-use assets and lease liabilities, as the Company does not believe that it is reasonably certain that these renewal options will be exercised. The Company's lease agreements do not contain any material residual guarantees or material restrictive covenants.

All operating lease expenses are recognized on a straight-line basis over the lease term as a component of "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income. Payments under the Company's lease arrangements are primarily fixed. However, certain lease agreements contain variable costs, which are expensed as incurred and not included in the calculation of the Company's right-of-use assets and related liabilities for those leases. These costs typically include real estate taxes, common area maintenance and utilities for which the Company is obligated to pay under the terms of those leases.

During the years ended December 31, 2023, 2022, and 2021, the Company expensed approximately \$

27.8

million, \$

30.7

million, and \$

28.7

million, respectively, of total operating lease costs, which includes \$

4.8
million, \$

4.4
million, and \$

4.6
million, of variable lease costs, respectively.

Based on the present value of the lease payments for the remaining lease term of the Company's existing leases, the Company's right-of-use assets and lease liabilities for operating leases as of December 31, 2023 and 2022 were as follows:

(in thousands)	Classification	December 31,	
		2023	2022
Assets			
Operating lease right-of-use assets	Other assets	\$ 35,766	\$ 61,072
Liabilities			
Current operating lease liabilities	Other accrued expenses	15,204	21,584
Noncurrent operating lease liabilities	Other long-term liabilities	35,441	56,371
Total lease liabilities		<u>50,645</u>	<u>77,955</u>
		\$ <u> </u>	\$ <u> </u>

Because the rate implicit in each lease is not readily determinable, the Company uses its incremental borrowing rate to determine the present value of the lease payments. In determining its incremental borrowing rate, the Company reviewed the terms of its leases, its credit facilities, and other factors.

Information related to the Company's right-of-use assets and related lease liabilities were as follows:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Cash paid for operating lease liabilities	\$ 26,769	\$ 23,298	\$ 25,022
Right-of-use assets obtained in exchange for new operating lease obligations	18,187	31,007	19,869
Weighted-average remaining lease term	3.8 years	4.2 years	4.1 years
Weighted-average discount rate	9.7 %	8.6 %	7.7 %

Maturities of lease liabilities as of December 31, 2023 were as follows:

(in thousands)	\$
2024	18,567
2025	16,216
2026	11,829
2027	6,495
2028	3,795
Thereafter	4,966
Total lease payments	\$ 61,868
Less: imputed interest	(11,223)
Present value of lease liabilities	\$ 50,645

9. Fair Value of Financial Instruments

The Company measures fair value based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on a three-tier hierarchy that prioritizes the inputs used to measure fair value.

As of December 31, 2023, and 2022, the Company's interest rate derivatives and forward contracts are Level 2 assets and liabilities with the related fair values based on third-party pricing service models. These models use discounted cash flows that utilize market-based forward swap curves commensurate with the terms of the underlying instruments.

As of December 31, 2023, and 2022, the contingent consideration liabilities are Level 3 liabilities with the related fair values based on the significant unobservable inputs and probability weightings in using the income approach.

The following table sets forth the Company's financial assets and liabilities measured on a recurring basis at fair value, categorized by input level within the fair value hierarchy. The carrying amounts of "Cash and cash equivalents", "Accounts receivable", and "Accounts payable" approximate fair value due to the short-term maturities of these financial instruments in the Consolidated Balance Sheets.

(in thousands)	Fair Value	December 31, 2023		
		Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial instruments	26,344	\$ —	\$ 26,344	\$ —

Total assets measured at fair value		26,344	—	26,344	—
Liabilities measured at fair value					
Warrant liability		667	—	667	—
Contingent consideration liabilities		18,472	—	—	18,472
Total liabilities measured at fair value		19,139	—	667	18,472

(in thousands)	Fair Value	December 31, 2022		
		Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial instruments				
	\$ 47,493	\$ —	\$ 47,493	\$ —
Total assets measured at fair value	\$ 47,493	\$ —	\$ 47,493	\$ —
Liabilities measured at fair value				
Warrant liability				
	\$ 953	\$ —	\$ 953	\$ —
Contingent consideration liabilities				
	20,334	—	—	20,334
Total liabilities measured at fair value	\$ 21,287	\$ —	\$ 953	\$ 20,334

Interest Rate Cap Agreements

The Company had interest rate cap and interest rate collar contracts with an aggregate notional value of principals of \$

650.0

million as of December 31, 2023 and 2022 from various financial institutions to manage the Company's exposure to interest rate movements on variable rate credit facilities. On April 3, 2023, the Company entered into two interest rate collar contracts in an aggregate notional amount of \$

300.0

million with a maturity date of April 5, 2026 to manage the Company's exposure to potential interest rate increases that may result from fluctuation in SOFR.

The fair value of the Company's outstanding interest rate caps and collars of \$

26.3
million and \$

47.5

million were included in "Prepaid expenses and other current assets" and "Other assets" in the Consolidated Balance Sheets as of December 31, 2023 and 2022, respectively, with changes in fair value recognized as a component of "Interest expense, net" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

During the years ended December 31, 2023, 2022, and 2021, the Company recognized interest income of \$

7.7
million, \$

43.8
million and \$

8.3
million, respectively, related to changes in the fair value of its derivative instruments.

Warrant Liability

The estimated fair value of the liability is recorded using sufficient observable information and is therefore classified as a Level 2 financial instrument. The warrant liability is stated at fair value at each reporting period with the change in fair value recorded on the Consolidated Statement of Operations and Comprehensive (Loss) Income until the warrants are exercised, expire or other facts and circumstances lead the warrant liability to be reclassified as an equity instrument.

On October 28, 2020, the Company recorded the initial warrant liability of the private placement warrants of \$

7.9
million. Subsequently, the warrant liability was remeasured to fair value resulting in a gain of \$

0.3
million, a gain of \$

21.2
million and a loss of \$

1.0
million reflected in "Change in fair value of warrant liability" in the Consolidated Statements of Operations and Comprehensive (Loss) Income during the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023, and 2022,

7,333,333

private placement warrants remained outstanding at a fair value of \$0.7 million and \$1.0 million, respectively.

The Company previously valued its private placement warrants using a Black-Scholes Model. The private placement warrants were classified as Level 3 at the initial measurement date due to the use of unobservable inputs. Beginning in the first quarter of 2022, they are classified as Level 2 based on the availability of sufficient observable information using the price of the public warrants as an indirectly observable quoted price in active markets to measure the fair value of the private placement warrants, which is inherently less subjective and judgmental given it is based on observable inputs. Transfers to/from Levels 1, 2 and 3 are recognized at the end of the reporting period in which a change in valuation technique or methodology occurs.

Long-term Debt

The following table sets forth the carrying values and fair values of the Company's financial liabilities measured on a non-recurring basis, categorized by input level within the fair value hierarchy:

(in thousands)	Carrying Value	Fair Value (Level 2)
Balance at December 31, 2023		
Term Loan Facility		
	\$ 1,149,057	\$ 1,221,012
Notes	743,000	745,223
Government loans for COVID-19 relief and other	5,398	4,680
Total long-term debt	<hr/> \$ 1,897,455	<hr/> \$ 1,970,915

(in thousands)	Carrying Value	Fair Value (Level 2)
Balance at December 31, 2022		
Term Loan Facility		
	\$ 1,298,500	\$ 1,372,125
Notes		
	\$ 775,000	\$ 736,517
Government loans for COVID-19 relief and other		
	5,687	5,930
Total long-term debt	<hr/> \$ 2,079,187	<hr/> \$ 2,114,572

The fair value of debt reported in the table above is based on adjusted price quotations on the debt instruments in an active market. The Company believes that the carrying value of its other borrowings, including amounts outstanding, if any, for the Revolving Credit Facility, approximate fair market value based on maturities for debt of similar terms.

10. Investments in Unconsolidated Subsidiaries

The carrying value of the Company's investments in unconsolidated affiliates accounted for under the equity method was \$

211.4
million and \$

129.5
million as of December 31, 2023 and 2022, respectively. The investment as of December 31, 2023 comprised the Company's investment in ASL and Global Smolian Holdings ("GSH"). The investment as of December 31, 2022 comprised of the Company's investment in GSH, Smolian Holdings Proprietary Limited ("SH"), Ceuta Holdings Limited ("Ceuta"), and Partnership SPV 1 Limited ("SPV"). Income from the Company's unconsolidated investments was \$

5.3
million for the year ended December 31, 2023. Income from the Company's unconsolidated investments was not material for the years ended December 31, 2022 and 2021. The Company's proportionate share in their net assets at December 31, 2023, and 2022 were \$

205.6
million and \$

123.2
million, respectively.

The Company's equity method investments are not considered significant based on Regulation S-X Rule 4-08(g); therefore, no summarized financial information for the Company's unconsolidated subsidiaries have been presented.

Contribution of Equity Method Investment in Smolian Holdings Proprietary Limited

In May 2023, the Company entered into a transaction in which it contributed its

25
% ownership in the common stock of SH to GSH. Subsequent to this contribution, the Company holds a

25
% non-voting equity investment in SH that provides the Company with preferred rights to non-cumulative dividends declared by SH with specified annual maximum dividends ("SH Dividend Shares"). Other than the preferred non-cumulative dividend rights, the equity investment in SH has no other economic rights and the Company does not have any significant influence over SH through its non-voting equity investments. As a result of this contribution, the Company no longer has significant influence in SH and ceased to account for its investment in SH under the equity method of accounting at the time of the contribution. In regard to the accounting for the SH Dividend Shares, the Company elected the measurement alternative to value this equity investment without a readily determinable fair value. The Company will continue to apply the alternative measurement guidance until this investment does not qualify to be so measured. The carrying value of the investment was not material as of December 31, 2023.

Ceuta Holdings Limited

In November 2023, the Company entered into an agreement and sold all of its

8.8
% investment in Ceuta. The Company recognized a loss on sale of investment of \$

4.2
million, as a component of "Loss on divestitures" in the Consolidated Statements of Operations and Comprehensive (Loss) Income during the year ended December 31, 2023. The Company received \$

4.3
million of its common stock in exchange for its investment.

ASL Transaction

On November 30, 2023, the Company reduced its equity interest in ASL, its European joint venture, from a majority interest of under

60
% to a minority interest of

49.6
% in exchange for \$

1.0
million in cash ("ASL Transaction"). As part of the ASL Transaction, the Company ceased to have a controlling financial interest in ASL. The Company reassessed the VIE and voting interest models and concluded the Company no longer has control. Therefore, in accordance with ASC 810, ASL was deconsolidated and the Company recorded a gain on deconsolidation of \$

58.9
million that has been included in the Consolidated Statements of Operations and Comprehensive (Loss) Income. Subsequent to the ASL Transaction, the Company retained significant influence over ASL, and the investment in ASL is accounted for under the equity method of accounting. The Company's equity method investment in ASL was recognized at its fair value totaling \$

91.9
million.

In conjunction with the ASL Transaction, the Company sold its 12.5 % interest in SPV in exchange for a non-voting interest in GSH, resulting in an insignificant impact on the consolidated financial statements as a result of this transaction.

As a result of the above transactions, as of December 31, 2023, the Company's investments in unconsolidated affiliates accounted for under the equity method consist of GSH (

25.4 %) and ASL (

49.6 %).

ATV Investment

The Company also holds

9.9 % of the outstanding common shares of a subsidiary of a Japanese supermarket chain ("ATV"). The Company does not have significant influence over ATV and, as a result, the Company elected the measurement alternative to value this equity investment without a readily determinable fair value. The Company will continue to apply the alternative measurement guidance until this investment does not qualify to be so measured. The carrying value of the investment was \$

5.8 million and \$

6.3 million as of December 31, 2023 and 2022, respectively.

11. Stock-Based Compensation and Other Benefit Plans

The Company has nonqualified stock options, restricted stock units ("RSUs"), and performance restricted stock units ("PSUs") under the Advantage Solutions Inc. 2020 Incentive Award Plan (the "Plan"). The Company's RSUs and PSUs are expensed based on the fair value at the grant date. The Company recognized stock-based compensation expense and equity-based compensation expense associated with the Common Series C Units of Karman Topco L.P. as follows:

(in thousands)	Year Ended December 31,		
	2023	2022	2021
Restricted share-based unit awards			
	\$ 25,261	\$ 25,353	\$ 22,053
Other share-based awards			
	13,951	11,580	17,245
Total share-based compensation before tax			
	39,212	36,933	39,298
Tax benefit			
	8,812	7,883	6,558
Total share-based compensation expense included in net (loss) income			
	\$ 30,400	\$ 29,050	\$ 32,740

Performance Restricted Stock Units

Performance restricted stock units are subject to the achievement of certain performance conditions based on the Company's revenues ("PSU Revenues") and Adjusted EBITDA ("PSU EBITDA") targets in the respective measurement period and the recipient's continued service to the Company. The PSUs are scheduled to vest over a three-year period from the date of grant and may vest from

0 % to

150

% of the number of shares set forth in the table below. The number of PSUs earned shall be adjusted to be proportional to the partial performance between the Threshold Goals, Target Goals and Maximum Goals as defined in the award agreements. Details for each aforementioned defined term for each grant have been provided in the table below.

During the first quarter of 2024, the Compensation Committee determined that the achievement of the performance objectives applicable to the PSU EBITDA 2023 and PSU Revenues 2023 objectives were

150.0

% of Target Goals. The value of these PSU awards above the Target Goals remain subject to additional performance requirements (i.e., the above

target performance must be maintained in 2024 and 2025) and service-based vesting conditions. The performance period for those PSU awards up to the Target Goals ended on December 31, 2023, but remain subject to service-based vesting conditions.

During the first quarter of 2023, the Compensation Committee determined that the achievement of the performance objective applicable to the PSU EBITDA 2022 objective did not meet the minimum threshold and the achievement of the performance objective applicable to the PSU Revenues 2022 objective was

83.2

% of Target Goals. The performance period for those awards ended on December 31, 2022 but remain subject to service-based vesting conditions.

During the first quarter of 2022, the Compensation Committee determined that the achievement of the performance objective applicable to the PSU EBITDA 2021 objective was

64.6

% of target and the achievement of the performance objective applicable to the PSU Revenues 2021 objective was

126.2

% of target. In the first quarter of 2022, the Compensation Committee determined that the PSU Revenues and PSU EBITDA metrics will be measured separately when determining whether above-target performance has been maintained for future year performance. Such determination is applicable to the PSUs grants made in 2021 and in 2022. As a result, the

26.2

% above-target performance on PSU Revenues for 2021 must be maintained in 2022 and 2023 in order for the corresponding above-target PSUs to vest in January 2024. During the first quarter of 2024, the Compensation Committee determined that there was

no decline in performance with respect to PSU Revenues in 2022 and 2023 and as a result, an amount equal to approximately

9.2

% of the target number of PSUs granted in January 2021 that were still outstanding in 2024 vested in January 2024.

Under the provision of ASC 718, *Compensation—Stock Compensation*, the Company determined that 2021 PSUs granted were modified as of March 11, 2022 related to

205,834

above-target PSU Revenues metrics. The stock-based compensation expense for such modification was accounted for as a cancellation of the original award and the issuance of a new award using the fair value of the award on the date of modification.

The fair value of PSU grants was equal to the closing price of the Company's stock on the date of the applicable grant. The maximum potential expense if the Maximum Goals were met for these awards has been provided in the table below.

Recognition of expense associated with performance-based stock is not permitted until achievement of the performance targets are probable of occurring.

Measurement Period	Number of Shares Threshold	Number of Shares Target	Number of Shares Maximum	Weighted Average Fair Value per Share	Maximum Remaining Unrecognized Compensation Expense	Weighted-average remaining requisite service periods
2023						
	3,272,133	6,544,266	9,816,399	\$ 2.04	\$ 12,770,316	2.4 years
2022						
	484,441	484,441	484,441	\$ 5.37	\$ 731,378	1.4 years
2021						
	183,315	183,315	310,422	\$ 10.18	\$ 50,417	0.5 years

The following table summarizes the PSU activity for the year ended December 31, 2023:

	Performance Share Units	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2023		
	6,373,064	\$ 7.05
Granted		
	7,031,565	\$ 2.03
Distributed		
	(1,420,066)	\$ 9.54
Forfeited		
	(1,476,009)	\$ 5.44
PSU performance adjustment		
	(3,169,425)	\$ 5.40
Outstanding at December 31, 2023		
	7,339,129	\$ 2.60

Restricted Stock Units

Restricted stock units are subject to the recipient's continued service to the Company. The RSUs are generally scheduled to vest over three years and are subject to the provisions of the agreement under the Plan.

During the year ended December 31, 2023, the following activities involving RSUs occurred under the Plan:

Number of RSUs	Weighted Average Grant Date Fair Value
----------------	--

Outstanding at January 1, 2023			
	9,576,760	\$	5.91
Granted			
	16,186,632	\$	2.02
Distributed	(
	4,799,010	\$	5.56
Forfeited	(
	2,725,759	\$	3.49
Outstanding at December 31, 2023			
	18,238,623	\$	2.92

As of December 31, 2023, the total remaining unrecognized compensation cost related to RSUs amounted to \$

39.4 million, which will be amortized over the weighted-average remaining requisite service periods of 2.2 years.

Common Series C Units and C-2 Units

The Limited Partnership Agreement allows profits interests in Topco to be granted to directors, officers, employees, and consultants of Topco and its subsidiaries. The performance-based profits interests ("Common Series C Units") are subject to certain vesting requirements, as described below.

Common Series C Units were granted at no cost to employees of the Company. As the result of an amendment and restatement of the Limited Partnership Agreement, on March 15, 2018,

75

% of all Common Series C Units awards are subject to vesting over four fiscal years from their respective issuance date. The remaining

25

% of the units were forfeited. To the extent the Common Series C Units vest, such units may still be forfeited as a result of termination of the employment of the applicable holders or upon a non-qualifying exit event. Certain awards vest over the remaining initial four-year term, subject to the employee's continued employment. In addition, Topco issued certain Common Series C Units in connection with the 2017 acquisition of Daymon Worldwide Inc. ("Daymon") to certain Daymon employees, certain of which were deemed to have vested upon issuance, and certain of which vested in four annual installments, subject to such employee's continued employment with the Company. The Limited Partnership Agreement also authorizes Topco to issue

35,000

Common Series C-2 Units to employees of the Company, which are deemed to be vested upon issuance and subject to substantially similar forfeiture provisions as the Common Series C Units, including forfeiture upon certain terminations of employment with the Company of the applicable holders or a non-qualifying exit event. Topco has the option to repurchase Common Series C Units for cash.

The following table summarizes the activity in the Common Series C Units and Common Series C-2 Units for the year ended December 31, 2023:

	Common Series C	Common Series C-2
Outstanding at January 1, 2023	132,890	25,095
Forfeited	()	()
	20)	6,700)
Outstanding at December 31, 2023	<hr/> 132,870	<hr/> 18,395

Common Series D Units

In 2014, Topco issued the Company 30,000 time-vested profit interests ("Common Series D Units"), which vested on a monthly basis over a five-year vesting period, to entities affiliated with one equity sponsor of Topco. The Company measured the fair value of the Common Series D Units quarterly throughout the five-year vesting period and recognized this cost ratably over the vesting period. There were

no

grants during the years ended December 31, 2023, 2022, and 2021. The OPM was used to estimate the Common Series D Units fair value of \$

300

as of the grant date. The expected share price volatility is based on the average of the historical volatility of comparable public companies. The risk-free rate is based on U.S. Treasury yields in effect at the time of grant over the expected term. The Company did not use a dividend yield as it has not historically paid distributions. The fair value of these units at the end of each measurement period were \$

46
, \$

5
, and \$

143

per unit as of December 31, 2023, 2022, and 2021. Since the Common Series D Units that were issued under the Limited Partnership Agreement were for interests in Topco, which is outside of the consolidated group, the value of the profit interests were marked to market at each of the Company's reporting periods.

The following assumptions were used in determining the fair value of Common Series D Units for the year ended December 31, 2023:

Grant date fair value	\$ 300.00
Dividend yield	0.0 %

Expected volatility	67.0	%
Risk-free interest rate	4.5	%
Lack of marketability discount	31.0	%
Expected term	1.4	years

On December 31, 2023, there were

30,000 Common Series D Units outstanding. During the years ended December 31, 2023, 2022, and 2021, the Company recorded equity-based compensation expense of \$

1.1 million, gain of \$

4.1 million, and gain of \$

15.0 million, respectively, included in "Selling, general, and administrative expenses" in the Consolidated Statements of Operations and Comprehensive (Loss) Income.

Stock Options

During the year ended December 31, 2023, the following activities involving stock options occurred under the Plan:

	Stock Options	Weighted Average Exercise Price
Outstanding at January 1, 2023	2,115,664	3.92
Granted	17,375,000	6.00
Exercised	(390,000)	2.24
Forfeited	(1,410,443)	3.92
Cancelled/Expired	(315,221)	5.99
Outstanding at December 31, 2023	<u>17,375,000</u>	<u>6.00</u>

Stock-based compensation costs related to stock options granted to employees are measured at the date of grant based on the estimated fair value of the award, net of estimated forfeitures. The Company estimates the grant date fair value, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. The Company recognizes compensation costs for awards with service vesting conditions on an accelerated method under the graded vesting method over the requisite service period of the award, which is generally the vesting term of three years.

The Black-Scholes option-pricing model requires the use of highly subjective assumptions which determine the fair value of stock-based awards. The assumptions used in the Company's option-pricing model represent management's best estimates. These estimates are complex, involve a number of variables, uncertainties and assumptions and the application of management's judgment, so that they are inherently subjective. If factors change and different assumptions are used, the Company's stock-based compensation expense could be materially different in the future. These assumptions are estimated as follows:

- *Fair Value of Common Stock.* Represents the publicly quoted price as the fair value of ADV common stock.
- *Risk-Free Interest Rate.* The Company based the risk-free interest rate used in the Black-Scholes option-pricing model on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term of the options for each option group.
- *Expected Term.* The expected term represents the period that the stock-based awards are expected to be outstanding. Because of the limitations on the sale or transfer of the Company's common stock as a previously privately held company, the Company does not believe its historical exercise pattern for similar awards is indicative of the pattern the Company will experience as a publicly traded company. The Company has consequently used the Staff Accounting Bulletin, or SAB 110, Simplified Method to calculate the expected term, which is the mid-point between the vesting period and the contractual term for each vesting-tranche. The Company plans to continue to use the SAB 110 Simplified Method until the Company has sufficient trading history as a publicly traded company.
- *Volatility.* Management determined the price volatility factor based on the historical volatilities of a relevant peer group as the Company did not have a sufficient trading history of common stock. Industry peers consist of several public companies that provide similar services with comparable characteristics including enterprise value, risk profiles and position within the industry. The Company intends to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of the Company's own common stock share price becomes available, or unless circumstances change such that the identified companies are no longer similar, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.
- *Dividend Yield.* The expected dividend assumption is based on expectations about the Company's anticipated dividend policy. The Company currently does not expect to issue any dividends.

In addition to assumptions used in the Black-Scholes option-pricing model, the Company must also estimate a forfeiture rate to calculate the stock-based compensation for the Company's awards. The Company will continue to use judgment in evaluating the assumptions related to the Company's stock-based compensation on a prospective basis. As the Company continues to accumulate additional data, the Company may have refinements to the Company's estimates, which could materially impact the Company's future stock-based compensation expense.

The fair value of the employee stock options was estimated using the following assumptions for the year ended December 31, 2023:

Share Price	2.13
Dividend yield	\$
Expected volatility	0.0 %
Risk-free interest rate	40.0 %
Expected term	3.5 %
	6.4 years

As of December 31, 2023, the Company had approximately \$

6.2 million of total unrecognized compensation expense related to stock options, net of related forfeiture estimates, which the Company expects to recognize over a weighted-average period of approximately 3.6 years. The weighted average remaining contractual term of all options outstanding as of December 31, 2023 was 9.1 years. The intrinsic value of all outstanding options as of December 31, 2023 was \$

6.9 million based on the market price of the Company's common stock of \$

3.62 per share. The total intrinsic value of stock options exercised during the year ended December 31, 2023 was \$

0.1 million. As of December 31, 2023, there were

no stock options that were exercisable.

Employee Stock Purchase Plan

The Company provides compensation benefits to employees under the amended 2020 Employee Stock Purchase Plan, (the "ESPP"). Employees, may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by the administrator: (a) customary employment with the Company for more than 20 hours per week and more than five months per calendar year, or (b) continuous employment with the Company for a minimum period of time, not to exceed two years, prior to the first date of an offering. An employee may not be granted rights to purchase stock under the ESPP if such employee (x) immediately after the grant would own stock possessing five percent or more of the total combined voting power or value of the common stock, or (y) would purchase in excess of \$

25,000 of fair market value of such stock in an offering period. Additionally, "highly compensated employees" may not be granted rights to purchase stock under the ESPP. This includes individuals with compensation above a specified level, who is an officer and/or is subject to the disclosure requirements of Section 16(a) of the Exchange Act.

The administrator may approve offerings with a duration of not more than 27 months, and may specify one or more shorter purchase periods within each offering ("Offering Period"). Each offering will have one or more purchase dates on which shares of the common stock will be purchased for the employees who are participating in the offering. The administrator, in its discretion, will determine the terms of offerings under the ESPP.

The ESPP permits participants to purchase shares of the common stock through payroll deductions with up to

15 % of their earnings. The purchase price of the shares will not be less than

85 % of the lower of the fair market value of the common stock on the first day of an offering or on the date of purchase. Payroll deductions shall be equal to at least one percent (

1 %) of the participant's compensation as of each payday of the Offering Period following the Enrollment Date, but not more than the lesser of fifteen percent (

%) of the participant's compensation as of each payday of the Offering Period following the Enrollment Date or \$

25,000
per offering period.

A participant may not transfer purchase rights under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

In the event of a specified corporate transaction, such as a merger or change in control, a successor corporation may assume, continue or substitute each outstanding purchase right. If the successor corporation does not assume, continue or substitute for the outstanding purchase rights, the offering in progress will be shortened and a new exercise date will be set. The participants' purchase rights will be exercised on the new exercise date and such purchase rights will terminate immediately thereafter.

The ESPP will remain in effect until terminated by the administrator in accordance with the terms of the ESPP. The board of directors has the authority to amend, suspend or terminate the ESPP, at any time and for any reason.

Employee Benefit Plans

The Company sponsors 401(k) plans for certain employees who meet specified age and length of service requirements. The 401(k) plans include a deferral feature under which employees may elect to defer a portion of their salary, subject to Internal Revenue Service limitations. The Company provides a matching contribution based on a percentage of participating employees' salaries and contributions made. Total contributions to the plan for the years ended December 31, 2023, 2022, and 2021 were \$

13.7
million, \$

13.3
million, and \$

12.5
million, respectively.

12. Equity

Class A Common Stock—The Company is authorized to issue

3,290,000,000
shares of Class A common stock with a par value of \$

0.0001
per share. Holders of the Company's Class A common stock are entitled to one vote for each share on each matter on which they are entitled to vote. At December 31, 2023, there were

322,235,261

shares of Class A common stock legally issued and outstanding. At December 31, 2022, there were

319,690,300

shares of Class A common stock legally issued and outstanding.

Preferred stock—The Company is authorized to issue

10,000,000
shares of preferred stock with

no
par value of \$0.0001 per share. At December 31, 2023 and 2022, there is

no

preferred stock issued or outstanding.

Common stock held in treasury, at cost— On November 9, 2021, the Company announced that the board of directors authorized a new share repurchase program (the "2021 Share Repurchase Program") pursuant to which the Company may repurchase up to \$

100
million of the Company's Class A common stock.

The 2021 Share Repurchase Program does not have an expiration date, but provides for suspension or discontinuation at any time. The 2021 Share Repurchase Program permits the repurchase of the Company's Class A common stock on the open market and in other means from time to time. The timing and amount of any share repurchase is subject to prevailing market conditions, relevant securities laws and other considerations, and the Company is under no obligation to repurchase any specific number of shares.

During the year ended December 31, 2023 and 2021, the Company executed open market purchases of \$

6.4
million and \$

12.6
million of the Company's Class A common stock under the 2021 Share Repurchase Program. The Company did not make any repurchases during the year ended December 31, 2022. As a result of repurchases during the year ended December 31, 2023, there remains \$

81.1

million of share repurchase availability under the 2021 Share Repurchase Program as of December 31, 2023 and 2022.

In December 2023, the Company entered into a trading plan under Rule 10b5-1 of the Exchange Act authorizing the repurchase of shares of the Company's Class A common stock. No stock repurchases were made pursuant to this plan for the year ended December 31, 2023.

Warrants—As of December 31, 2023 and 2022,

11,244,988

public warrants were outstanding. Each whole warrant entitles the holder to purchase one whole share of the Company's Class A common stock at an exercise price of \$

11.50

per share, subject to adjustment. Warrants may only be exercised for a whole number of shares of Class A common stock. No fractional warrants will be issued upon separation of the units and only whole warrants will trade. The warrants became exercisable on November 27, 2020 and will expire on October 28, 2025, or earlier upon redemption or liquidation.

As of December 31, 2023 and 2022,

7,333,333

private placement warrants were outstanding. The private placement warrants are identical to the public warrants, except that the private placement warrants and the Class A common stock issuable upon exercise of the private placement warrants were not transferable, assignable or salable until November 27, 2020, subject to certain limited exceptions. Additionally, the private placement warrants will be non-redeemable so long as they are held by the initial purchasers or such purchasers' permitted transferees. If the private placement warrants are held by someone other than the initial stockholders or their permitted transferees, the private placement warrants will be redeemable by the Company and exercisable by such holders on the same basis as the public warrants.

The Company may call the warrants for redemption:

For cash:

- in whole and not in part;
- at a price of \$

0.01
per warrant;

- upon a minimum of 30 days' prior written notice of redemption; and
- if, and only if, the last reported closing price of the common stock equals or exceeds \$18.00 per share (as adjusted for share splits, share dividends, reorganizations, reclassifications, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

For cash or Class A common stock:

- in whole and not in part;

- at a price of \$0.10 per warrant, provided that the warrant holders will be able to exercise their warrants prior to redemption and receive that number of shares of Class A common stock to be determined by reference to a table included in the warrant agreement, based on the redemption date and the fair market value of the Class A common stock;
- upon a minimum of 30 days' prior written notice of redemption;
- if, and only if, the last reported closing price of the common stock equals or exceeds \$10.00 per share (as adjusted for share splits, share dividends, reorganizations, reclassifications, recapitalizations and the like) on the trading day prior to the date on which the Company sends notice of redemption to the warrant holders; and
- if, and only if, an effective registration statement covering the shares of Class A common stock issuable upon exercise of the warrants and a current prospectus relating thereto is available throughout the 30-day period after which written notice of redemption is given, or the Company has elected to require the exercise of the warrants on a "cashless" basis.

If the Company calls the warrants for redemption, management will have the option to require all holders that wish to exercise the warrants to do so on a "cashless basis," as described in the warrant agreement.

The exercise price and number of Class A common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend. Additionally, in the event of a recapitalization, reorganization, merger or consolidation, the kind and amount of shares of stock or other securities or property (including cash) issuable upon exercise of the warrants may be adjusted. However, the warrants will not be adjusted for issuance of Class A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the warrants shares.

Noncontrolling interests

Deconsolidation of ASL—On November 30, 2023 the Company reduced its equity interest in ASL, its European joint venture, from a majority interest of under

60% to a minority interest of

49.6% in exchange for \$

1.0 million in cash. The Company also removed certain participating rights with ASL related to capital allocation and certain of the Company's decision making rights, resulting in a loss of control. Therefore, in accordance with ASC 810, ASL was deconsolidated from the Company's consolidated financial statements. As part of the deconsolidation, the \$108.9 million noncontrolling interest was derecognized as reflected in the Consolidated Statements of Stockholders' Equity.

Purchase of Interests—During the year ended December 31, 2022, the Company acquired a majority stake in an acquisition and received contributions from noncontrolling interest of \$

5.2 million. The fair value of the noncontrolling interest of the acquisition was \$

1.0 million. The Company did not purchase any additional minority interests held in a subsidiary during the year ended December 31, 2022.

Dividend to noncontrolling interest—Certain of the Company's subsidiaries may, from time to time, declare dividends. There were

no

dividends related to the Company's minority interests during the years ended December 31, 2023, 2022 and 2021, respectively.

13. Earnings Per Share

The Company calculates earnings per share using a dual presentation of basic and diluted earnings per share. Basic earnings per share is calculated by dividing net income by the weighted-average shares of common stock outstanding without the consideration for potential dilutive shares of common stock. Diluted earnings per share represents basic earnings per share adjusted to include the potentially dilutive effect of outstanding performance stock units, restricted stock units, public and private placement warrants, the employee stock purchase plan and stock options.

Diluted earnings per share is computed by dividing the net income by the weighted-average number of common share equivalents outstanding for the period determined using the treasury stock method and if-converted method, as applicable.

The following is a reconciliation of basic and diluted net (loss) income per common share:

(in thousands, except share and earnings per share data)	2023	2022	2021
Basic earnings per share computation:			
Numerator:			
Net (loss) income attributable to stockholders of Advantage Solutions Inc.	(((
	\$ 63,258	\$ 1,380,502	\$ 54,494
Denominator:			
Weighted average common shares - basic	323,677,515	318,682,548	318,198,860
Basic (loss) earnings per common share	(((
	\$ 0.20	\$ 4.33	\$ 0.17
Diluted earnings per share computation:			
Numerator:			
Net (loss) income attributable to stockholders of Advantage Solutions Inc.	(((
	\$ 63,258	\$ 1,380,502	\$ 54,494
Denominator:			
Weighted average common shares outstanding	323,677,515	318,682,548	318,198,860
Performance Stock Units	—	—	1,998,848
Restricted Stock Units	—	—	559,649
Warrants	—	—	4,468
Employee stock purchase plan and stock options	—	—	242,931
Weighted average common shares - diluted	323,677,515	318,682,548	321,004,756
Diluted (loss) earnings per common share	(((
	\$ 0.20	\$ 4.33	\$ 0.17

During periods of net loss, diluted loss per share is equal to basic loss per share because the antidilutive effect of potential common shares is disregarded.

The Company had

11,244,988

of public warrants and

7,333,333

of private placement warrants held by the CP Sponsor (as defined below), to purchase Class A common stock at \$

11.50

per share, which remain outstanding at December 31, 2023 and 2022.

See Note 12 — *Equity* for additional information regarding the terms of public and private placement warrants.

In accordance with the treasury method the weighted average shares outstanding assuming dilution include the incremental effect of stock-based awards, except when such effect would be antidilutive. Stock-based awards in accordance with the treasury stock method were

6.9

million shares during the year ended December 31, 2023, but were not included in the computation of diluted loss per common share, because the net loss position of the Company made them antidilutive. Stock-based awards in accordance with the treasury stock method were

0.8

million shares during the year ended December 31, 2022, but were not included in the computation of diluted loss per common share, because the net loss position of the Company made them antidilutive.

14. Related Parties

Conyers Park

During the years ended December 31, 2023 and 2022, the Company had outstanding private placement warrants that allowed holders to purchase 7,333,333 shares of the Company's common stock. Such private placement warrants were held by Conyers Park II Sponsor, LLC ("CP Sponsor"), a related party. Each whole warrant entitles the holder to purchase one share of the Company's Class A common stock at a price of \$11.50 per share.

Investment in Unconsolidated Affiliates

Following the deconsolidation of ASL, the Company recorded the continuing investment in ASL at fair value of \$

91.9

million at the date of deconsolidation, within "Investments in unconsolidated affiliates." For further details, see Note 2. Acquisitions, Divestitures and Deconsolidation. Transactions between the Company and ASL are considered to be related-party transactions from the date of deconsolidation. Subsequent to the deconsolidation of ASL, the Company recognized immaterial revenues, from ASL and as of December 31, 2023, Accounts receivables from ASL were immaterial.

During the years ended December 31, 2023, 2022, and 2021, the Company recognized revenues of \$

22.2

million, \$

14.3

million, and \$

18.1

million, respectively, from the parent company of an investment in unconsolidated affiliates. Accounts receivable from this client were \$

3.7

million and \$

1.7

million as of December 31, 2023 and 2022, respectively.

Loans to Karman Topco L.P.

Advantage Sales & Marketing Inc., an indirect wholly-owned subsidiary of the Company, entered into loan agreements with Topco, pursuant to which Topco has borrowed various amounts totaling \$

6.0 million from Advantage Sales & Marketing Inc. to facilitate the payment to certain former associates for their equity interests in Topco. On September 1, 2020, Advantage Sales & Marketing Inc. entered into a loan agreement with Topco consolidating all outstanding amounts under the prior agreements. Pursuant to such loan agreement Topco borrowed \$

6.0 million at an interest rate of

0.39

% per annum. This loan matured on December 31, 2023 and was pre-payable at any time without penalty. During the first quarter of 2024, the parties entered into a new loan agreement for \$6.3 million to refinance the matured loan. The loan bears interest at a rate of 10.09% per annum and matures on December 31, 2026. The loan is pre-payable at any time without penalty.

Other related parties

Beginning February 2023, an officer of the Company has served as a member of the board of directors of a client of the Company. The Company recognized revenues from such client of \$

4.4 million during the year ended December 31, 2023. Accounts receivable from this client were \$

0.6 million as of December 31, 2023.

Beginning July 2023, a member of the board of directors of the Company has served as an officer of a client of the Company. The Company recognized \$3

.3 million of revenues from such client during the year ended December 31, 2023. Accounts receivable from this client were \$0

.5 million as of December 31, 2023.

15. Income Taxes

The (benefit from) provision for income taxes is as follows:

	Year Ended December 31,		
	2023	2022	2021
(in thousands)			
Current tax expense			
Federal			
	\$ 27,317	\$ 23,351	\$ 22,085
State			
	10,635	8,148	7,667
Foreign			
	13,456	13,918	13,877
Total current tax expense			
	51,408	45,417	43,629
Deferred tax (benefit) expense			
Federal			
	(61,431)	(129,055)	(16,007)
State			
	(15,917)	(59,512)	(5,827)

Foreign	((
	3,068	2,187	168
Total deferred tax benefit))	(
	(((
Total (benefit from) provision for income taxes	80,416	190,754	10,012
)))
	\$ 29,008	\$ 145,337	\$ 33,617
	<u>\$ 29,008</u>	<u>\$ 145,337</u>	<u>\$ 33,617</u>

A reconciliation of the Company's effective income tax rate as compared to the federal statutory income tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
Statutory U.S. rate	21.0%	21.0%	21.0%
State income taxes, net of federal tax benefit	4.7%	2.7%	11.7%
Foreign tax, net of federal tax benefit	(3.3%)	(0.2%)	5.3%
Deconsolidation of ASL	18.6%	— %	— %
Goodwill impairment	— %	(14.0%)	— %
Equity-based compensation	(3.6%)	— %	(2.4%)
Work opportunity tax credit	3.2%	0.2%	(2.5%)
Disallowed executive compensation	(2.3%)	(0.1%)	2.3%
Meals and entertainment	(2.8%)	(0.1%)	1.6%
Contingent consideration fair value adjustment	(0.5%)	— %	(1.8%)
Fair value of warrant liability	0.1%	0.3%	0.2%
Other	(2.6%)	(0.2%)	1.5%
Effective tax rate	32.5%	9.6%	36.9%

The geographic components of (loss) income before income taxes are as follows:

	Year Ended December 31,		
	2023	2022	2021
(in thousands)			
U.S. sources	(((
	\$ 188,064	\$ 1,544,387	\$ 65,202
Non-U.S. sources	\$ 98,738	\$ 21,758	\$ 25,964
(Loss) income before income taxes	(((
	\$ 89,326	\$ 1,522,629	\$ 91,166

Net deferred tax liabilities consist of the following:

	December 31,	
	2023	2022
(in thousands)		
Deferred tax assets		
Accrued liabilities		
	\$ 82,600	\$ 68,016
Interest expense		
	71,478	53,320
Right-of-use liabilities		
	12,748	14,356
Net operating losses		
	5,471	7,904
Transaction expenses		
	6,511	7,649
Capitalized research and development costs		
	4,849	3,911
Contingent liabilities		
	1,662	3,903
Insurance reserves		
	2,204	2,522
Acquired intangible assets, including goodwill		
	1,302	1,487
Other		
	6,274	4,382
Total deferred tax assets		
	195,099	167,450
Deferred tax liabilities		
Acquired intangible assets, including goodwill		
	357,657	413,728
Interest rate caps		
	6,799	12,079
Right-of-use assets		
	8,955	10,044
Debt issuance costs		
	7,242	7,532
Restructuring expenses		
	3,276	3,427
Depreciation		
	1,571	2,397
Other		
	8,105	8,545

Total deferred tax liabilities	393,605	457,752
Less: deferred income tax asset valuation allowances	()	()
	3,491	5,360
Net deferred tax liabilities	\$ 201,997	\$ 295,662

	December 31,	
(in thousands)	2023	2022
Noncurrent deferred tax asset	\$ 2,254	\$ 2,212
Noncurrent deferred tax liabilities	204,251	297,874
Net deferred tax liabilities	<u>\$ 201,997</u>	<u>\$ 295,662</u>

The CARES Act allows employers to defer payment of a portion of payroll taxes otherwise due on wages paid between the enactment date and December 31, 2020 and remit the deferred payroll taxes in equal amounts on December 31, 2022 and 2021. Under this provision of the CARES Act, the Company has recorded the tax impact of \$

6.4 million as a deferred tax asset as of December 31, 2021 and

no remaining balance as of December 31, 2022.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act ("IRA"), which, among other things, imposes a new corporate alternative minimum tax and an excise tax on stock buybacks. As of December 31, 2023, the Company has determined that the Act had no tax impacts on its consolidated financial statements.

The Company held cash and cash equivalents in foreign subsidiaries of \$

43.8 million and \$

81.8 million as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the undistributed earnings of the Company's foreign subsidiaries was \$125.7 million and \$196.4 million, respectively.

The Company has not recorded a deferred tax liability related to undistributed earnings of its foreign subsidiaries as of December 31, 2023, except for a \$

0.4 million of deferred tax liability recorded as of December 31, 2023 for unremitted earnings in Canada with respect to which the Company no longer has an indefinite reinvestment assertion. Taxes have not been provided on the remaining \$

114.9 million of undistributed foreign earnings. The incremental tax liability associated with these earnings is expected to be immaterial.

The Company evaluates its deferred tax assets, including a determination of whether a valuation allowance is necessary, based upon its ability to utilize the assets using a more likely than not analysis. Deferred tax assets are only recorded to the extent that they are realizable based upon past and future income. As a result of the evaluation, the Company established a valuation allowance of \$

3.5
million, \$

5.4
million and \$

6.9
million on its deferred tax assets as of December 31, 2023, 2022 and 2021, respectively.

As of December 31, 2023, the Company had \$

4.3
million of United States Federal Net Operating Losses ("NOL"), \$

26.9
million state NOL, and \$

12.4
million foreign NOL. The change of ownership provisions of the Tax Reform Act of 1986 may limit utilization of a portion of the Company's domestic NOL to future periods. The United States Federal NOL expires in tax year 2037, \$18.2 million of the state NOL expires between tax years 2023 and 2042 and the remaining \$8.7 million of the state NOL carry forward indefinitely. Foreign NOL of \$6.3 million expires between tax years 2024 and 2032 and the remaining \$6.1 million of the foreign NOL carry forward indefinitely.

Uncertain Tax Positions

The Company accounts for uncertain tax positions when it is more likely than not that the tax position will not be sustained on examination by the taxing authorities, based on the technical merits of the position. As of December 31, 2023, 2022, and 2021, the Company's unrecognized tax benefits were \$

2.9
million, \$

0.6
million and \$

0.6
million, respectively. The Company recorded uncertain tax positions related to capitalizing interest to inventory and California research and development credits for the year ended December 31, 2023. \$

2.2
million out of the \$

2.9
million of the unrecognized tax benefits as of December 31, 2023 would be included in the effective tax rate if recognized in future periods.

		December 31,		
		2023	2022	2021
(in thousands)				
Beginning unrecognized tax benefits		\$ 560	\$ 563	\$ 698
Increases for tax positions related to prior years		2,350	—	—
Decreases due to lapsed statutes of limitations		(23)	(3)	(135)
Ending unrecognized tax benefits		<u>\$ 2,887</u>	<u>\$ 560</u>	<u>\$ 563</u>

The Company is unaware of any positions for which it is reasonably possible that the total amount of unrecognized tax benefits will significantly increase within the next twelve months. The Company files tax returns in the United States, various states and foreign jurisdictions. With few exceptions, as of December 31, 2023, the Company is no longer subject to federal, state, or non-U.S. income tax examinations by tax authorities for years prior to 2019. The Company does not have any material ongoing income tax audits.

The Company has elected to classify interest and penalties as components of tax expense. These amounts were \$

0.9
million, \$

0.2
million and \$

0.1 million for the years ended December 31, 2023, 2022 and 2021, respectively.

16. Segments and Geographic Information

The Company's operations are organized into

two

reportable segments: sales and marketing. The operating segments reported below are the segments of the Company for which separate financial information is available and for which segment results are evaluated regularly by the chief operating decision maker (the chief executive officer) in deciding how to allocate resources and in assessing performance. Through the Company's sales segment, the Company serves as a strategic intermediary between consumer goods manufacturers and retailer partners and performs critical merchandising services on behalf of both consumer goods manufacturers and retail partners. Through the Company's marketing segment, the Company develops and executes marketing programs for manufacturers and retailers. These reportable segments are organized by the types of services provided, similar economic characteristics, and how the Company manages its business. The assets and liabilities of the Company are managed centrally and are reported internally in the same manner as the consolidated financial statements; therefore, no additional information is produced or included herein. The Company and its chief operating decision maker evaluate performance based on revenues and operating (loss) income.

(in thousands)	Sales	Marketing	Total
Year Ended December 31, 2023			
Revenues			
	\$ 2,445,015	\$ 1,779,831	\$ 4,224,846
Depreciation and amortization			
	\$ 154,891	\$ 69,806	\$ 224,697
Income from unconsolidated investments			
	\$ 5,273	\$ —	\$ 5,273
Operating income			
	\$ 38,443	\$ 37,747	\$ 76,190
Year Ended December 31, 2022			
Revenues			
	\$ 2,507,017	\$ 1,542,725	\$ 4,049,742
Depreciation and amortization			
	\$ 161,385	\$ 71,690	\$ 233,075
Operating loss			
	\$ (1,323,192)	\$ (116,214)	\$ (1,439,406)
Year Ended December 31, 2021			
Revenues			
	\$ 2,323,884	\$ 1,278,414	\$ 3,602,298
Depreciation and amortization			
	\$ 170,076	\$ 69,965	\$ 240,041
Operating income			
	\$ 182,529	\$ 47,519	\$ 230,048
Revenues and long-lived assets by services provided in geographic region are as follows:			
Year Ended December 31,			
2023 2022 2021			
(in thousands)			
Revenues			
North America			
	\$ 3,694,470	\$ 3,562,168	\$ 3,153,768
International			
	530,376	487,574	448,530
Total revenues			
	\$ 4,224,846	\$ 4,049,742	\$ 3,602,298

	December 31,	
	2023	2022
Long-Lived Assets		
North America		
International	\$ 73,371	\$ 60,071
	\$ 539	\$ 10,827
Total long-lived assets	\$ 73,910	\$ 70,898

North American revenues were primarily services provided in the U.S. representing revenues of \$

3.5
billion, \$

3.6
billion, and \$

3.0
billion during the years ended December 31, 2023, 2022, and 2021, respectively. North American long-lived assets were primarily in the U.S. representing long-lived assets of \$

73.1
million and \$

60.0
million as of December 31, 2023 and 2022, respectively. The classification "International" primarily includes the Company's operations in the U.K., Germany, the Netherlands and Japan.

17. Redeemable Noncontrolling Interests

The Company was an indirect party to a put and call option agreement with respect to the common securities that represent the remaining noncontrolling interest from a then majority-owned subsidiary, which was established through a then majority-owned international joint venture during the year ended December 31, 2021. The put and call option agreement representing

20
% of the total outstanding noncontrolling equity interest of that subsidiary may be exercised at the discretion of the noncontrolling interest holder by providing written notice to the Company beginning in 2026 and expiring in 2028. The redemption value of the put and call option agreement is based on a multiple of the majority-owned subsidiary's earnings before interest, taxes, depreciation and amortization subject to certain adjustments. The noncontrolling interest is subject to a put option that is outside of the Company's control and is presented as redeemable noncontrolling interest in the temporary equity section of the Consolidated Balance Sheets. The Company recorded its redeemable noncontrolling interest at fair value on the date of the related business combination transaction and recognizes changes in the redemption value at the end of each reporting period. As part of the ASL Transaction, the Company

no
longer has a carrying value of the redeemable noncontrolling interest as of December 31, 2023.

Changes in redeemable noncontrolling interest for the years ended December 31, 2023 and 2022, are as follows:

(in thousands)

Balance at January 1, 2022

\$ 1,893

Fair value at acquisition

1,987

Net income attributable to redeemable noncontrolling interests

215

Dividend distribution

(

223

)

Foreign currency translation adjustment

(

126

)

Balance at December 31, 2022

3,746

Net income attributable to redeemable noncontrolling interests

301

Dividend distribution

(

154

)

Deconsolidation of subsidiaries

(

3,912

)

Foreign currency translation adjustment

19

Balance at December 31, 2023

\$ —

During the year ended December 31, 2022, the Company, through its then majority owned international joint venture, acquired one sales business which included a put option exercisable by the

20

% shareholder that allowed such shareholder to sell its

20

% noncontrolling interest to the Company for a multiple of the acquired subsidiary's adjusted earnings. As the put option was outside of the Company's control, the estimated value of the

20

% noncontrolling interest was presented as a redeemable noncontrolling interest outside of permanent equity on the Consolidated Balance Sheets. The fair value of the redeemable noncontrolling interest and put option at the acquisition date was valued based on a mix of the income approach for determining the value of the redeemable noncontrolling interest and market approach for determining the most advantageous redemption point for the put option using a Monte Carlo simulation method. The fair value assigned to this interest was estimated using Level 3 inputs based on unobservable inputs. As part of the ASL Transaction, the Company no longer has a carrying value of the redeemable noncontrolling interest as of December 31, 2023.

18. Commitments and Contingencies

Litigation

The Company is involved in various legal matters that arise in the ordinary course of its business. Some of these legal matters purport or may be determined to be class and/or representative actions, or seek substantial damages, or penalties. The Company has accrued amounts in connection with certain legal matters, including with respect to certain of the matters described below. There can be no assurance, however, that these accruals will be sufficient to cover such matters or other legal matters or that such matters or other legal matters will not materially or adversely affect the Company's financial position, liquidity, or results of operations.

Employment Matters

The Company has also been involved in various litigation, including purported class or representative actions with respect to matters arising under the California Labor Code and Private Attorneys General Act. The Company has retained outside counsel to represent it in these matters and is vigorously defending its interests.

Commercial Matters

The Company has also been involved in various litigation matters and arbitrations with respect to commercial matters arising with clients, vendors and third-party sellers of businesses. The Company has retained outside counsel to represent it in these matters and is vigorously defending its interests.

Legal Matters Related to Take 5

The Company voluntarily disclosed to the United States Attorney's Office and the Federal Bureau of Investigation certain misconduct occurring at Take 5, a line of business that the Company closed in July 2019. The Company intends to cooperate in this and any other governmental investigations that may arise in connection with the Take 5 Matter. At this time, the Company cannot predict the ultimate outcome of any investigation related to the Take 5 Matter and is unable to estimate the potential impact such an investigation may have on the Company. In August 2019, as a result of the Take 5 Matter, the Company provided a written indemnification claim notice to the sellers of Take 5 (the "Take 5 Sellers") seeking monetary damages (including interest, fees and costs) based on allegations of breach of the asset purchase agreement (the "Take 5 APA"), as well as fraud. The Company and the Take 5 Sellers engaged in arbitration proceedings. In October 2022, the arbitrator made a final award in the Company's favor. The Company is actively pursuing the collection of this award in state court in Florida. The Company is currently unable to estimate if or when it will be able to collect any amounts associated with this arbitration. The Take 5 Matter may result in additional litigation against the Company, including lawsuits from clients, or governmental investigations, which may expose the Company to potential

liability in excess of the amounts being offered by the Company as refunds to Take 5 clients. The Company is currently unable to determine the amount of any potential liability, costs or expenses (above the amounts already being offered as refunds) that may result from any lawsuits or investigations associated with the Take 5 Matter or determine whether any such issues will have any future material adverse effect on the Company's financial position, liquidity, or results of operations. Although the Company has insurance covering certain liabilities, the Company cannot assure that the insurance will be sufficient to cover any potential liability or expenses associated with the Take 5 Matter.

Surety Bonds

In the ordinary course of business, the Company is required to provide financial commitments in the form of surety bonds to third parties as a guarantee of its performance on and its compliance with certain obligations. If the Company were to fail to perform or comply with these obligations, any draws upon surety bonds issued on its behalf would then trigger the Company's payment obligation to the surety bond issuer. The Company has outstanding surety bonds issued for its benefit of \$

16.0

million as of December 31, 2023, and 2022.

19. Subsequent Events

In January 2024, the Company entered into an agreement and sold its collection of foodservice businesses, most notably Waypoint. The Company received approximately \$

91.0 million in cash proceeds, less estimated working capital adjustments and an ongoing

7.5 % stake in the entity with which the foodservice businesses were combined. The Company is currently in the process of finalizing the accounting for this transaction and has determined that the gain or loss related to this sale is impractical to report as of the date of this filing.

In December 2023, the Company entered into a trading plan under Rule 10b5-1 of the Exchange Act authorizing the repurchase of shares of the Company's Class A common stock. From January 2, 2024 to February 29, 2024, the Company purchased 3.0 million shares of Class A common stock.

No stock repurchases were made pursuant to this plan for the year ended December 31, 2023.

SCHEDULE I
ADVANTAGE SOLUTIONS INC.
CONDENSED REGISTRANT ONLY FINANCIAL INFORMATION
CONDENSED BALANCE SHEETS

(in thousands)	ASSETS	December 31,	2023	2022
Investment in subsidiaries				
		\$	1,106,029	\$ 1,124,933
Total assets		\$	<u>1,106,029</u>	<u>\$ 1,124,933</u>
		<u>\$</u>	<u><u>1,106,029</u></u>	<u><u>\$ 1,124,933</u></u>
	LIABILITIES AND STOCKHOLDERS' EQUITY			
Warrant liability			\$ 667	\$ 953
		\$	<u>667</u>	<u>\$ 953</u>
Total liability			667	953
Equity attributable to stockholders of Advantage Solutions Inc.				
Common stock \$				
0.0001				
par value,				
3,290,000,000				
shares authorized;				
322,235,261				
and				
319,690,300				
shares issued and outstanding as of				
December 31, 2023 and 2022, respectively			32	32
Additional paid-in capital			3,449,261	3,408,836
Accumulated deficit			(3,449,261)	(3,408,836)
Loans to Karman Topco L.P.			(2,314,650)	(2,247,109)
Accumulated other comprehensive loss			(6,387)	(6,363)
Common stock in treasury, at cost;			(3,945)	(18,849)
3,600,075				
and				
1,610,014				
shares as of				
December 31, 2023 and 2022, respectively			(18,949)	(12,567)
Total equity attributable to stockholders of Advantage Solutions Inc.			1,105,362	1,123,980

Total liabilities and stockholders' equity

1,106,029

\$

1,124,933

\$

See Notes to Condensed Registrant Only Financial Statements

SCHEDULE I
ADVANTAGE SOLUTIONS INC.
CONDENSED REGISTRANT ONLY FINANCIAL INFORMATION
CONDENSED STATEMENTS OF OPERATIONS

(in thousands)	2023	2022	2021
Revenues	\$ —	\$ —	\$ —
Cost of revenues	—	—	—
Selling, general, and administrative expenses	—	—	—
Impairment of goodwill and indefinite-lived assets	—	—	—
Depreciation and amortization	—	—	—
Gain on deconsolidation of subsidiaries	—	—	—
Loss on divestitures	—	—	—
Income from unconsolidated investments	—	—	—
Total expenses	—	—	—
Operating income	—	—	—
Other (income) expenses:			
Change in fair value of warrant liability	(286)	21,236	955
Interest expense, net	—	—	—
Total other (income) expenses	(286)	21,236	955
Income (loss) before income taxes and equity in net income of subsidiaries	286	21,236	955
Provision for income taxes	—	—	—
Net income (loss) before equity in net income of subsidiaries	(286)	21,236	955
Equity in net (loss) income of subsidiaries	(63,544)	(1,401,738)	(55,449)

Net (loss) income attributable to subsidiaries	(((
	63,258	1,380,502	54,494
Other comprehensive (loss) income, net of tax equity in comprehensive (loss) income of subsidiaries))	(
	5,817	14,370	5,152
Total comprehensive (loss) income	(((
	57,441	1,394,872	49,342
	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Notes to Condensed Registrant Only Financial Statements

**ADVANTAGE SOLUTIONS INC.
CONDENSED REGISTRANT ONLY FINANCIAL INFORMATION**

NOTES TO THE CONDENSED REGISTRANT ONLY FINANCIAL STATEMENTS

1. Basis of Presentation

In the registrant company only financial statements, Advantage Solutions Inc.'s (the "Registrant") investment in subsidiaries is stated at cost plus equity in undistributed earnings of the subsidiaries during the years ended December 31, 2023 and 2022. The accompanying condensed registrant company financial statements have been prepared in accordance with Rule 12-04, Schedule 1 of Regulation S-X. A condensed statement of cash flows was not presented because Registrant's operating activities have no cash impact and there were no investing or financing cash flow activities during the years ended December 31, 2023, 2022, and 2021. This information should be read in conjunction with the accompanying Consolidated Financial Statements.

2. Debt Restrictions

Pursuant to the terms of the Senior Secured Credit Facilities and the Notes discussed in Note 7, *Debt*, of the Notes to the Consolidated Financial Statements, the Registrant's subsidiaries have restrictions on their ability to pay dividends or make intercompany loans and advances to the Registrant. Since the restricted net assets of the Registrant's subsidiaries exceed

25

% of the consolidated net assets of the Registrant and its subsidiaries, the accompanying condensed registrant company financial statements have been prepared in accordance with Rule 12-04, Schedule 1 of Regulation S-X.

Advantage Sales & Marketing Inc., an indirect wholly-owned subsidiary of the Company (the "Borrower") has obligations under the Term Loan Facility that are guaranteed by Karman Intermediate Corp. ("Holdings") and all of the Borrower's direct and indirect wholly owned material U.S. subsidiaries (subject to certain permitted exceptions) and Canadian subsidiaries (subject to certain permitted exceptions, including exceptions based on immateriality thresholds of aggregate assets and revenues of Canadian subsidiaries) (the "Guarantors"). The Term Loan Facility is secured by a lien on substantially all of Holdings', the Borrower's and the Guarantors' assets (subject to certain permitted exceptions). The Term Loan Facility has a first-priority lien on the fixed asset collateral (equal in priority with the liens securing the Notes) and a second-priority lien on the current asset collateral (second in priority to the liens securing the Revolving Credit Facility), in each case, subject to other permitted liens.

The Borrower will be required to prepay the Term Loan Facility with

100

% of the net cash proceeds of certain asset sales (such percentage subject to reduction based on the achievement of specific first lien net leverage ratios) and subject to certain reinvestment rights,

100

% of the net cash proceeds of certain debt issuances and

50

% of excess cash flow (such percentage subject to reduction based on the achievement of specific first lien net leverage ratios).

The Term Loan Facility contains certain customary negative covenants, including, but not limited to, restrictions on the ability of Holdings and that of its restricted subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, pay dividends or make other restricted payments, sell or otherwise transfer assets or enter into transactions with affiliates.

The Term Loan Facility provides that, upon the occurrence of certain events of default, the Company's obligations thereunder may be accelerated. Such events of default will include payment defaults to the lenders thereunder, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to other material indebtedness, voluntary and involuntary bankruptcy, insolvency, corporate arrangement, winding-up, liquidation or similar proceedings, material money judgments, change of control and other customary events of default.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None

Item 9A. Controls and Procedures**Limitations on Effectiveness of Disclosure Controls and Procedures**

In designing and evaluating our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Commission's rules and forms, and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation as of December 31, 2023, our chief executive officer and chief financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective at the reasonable assurance level.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

We rely extensively on information systems and technology to manage our business and summarize operating results. We are in the process of a multi-year implementation of a new global enterprise resource planning ("ERP") system, which will replace our existing operating and financial systems. The ERP system is designed to accurately maintain the Company's financial records, enhance operational functionality and provide timely information to the Company's management team related to the operation of the business. The implementation is expected to occur in phases over the next several years. As the next phases are rolled out in connection with the ERP implementation, we will give appropriate consideration to whether these process changes necessitate changes in the design of and testing for effectiveness of internal controls over financial reporting.

Under the supervision and with the participation of management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2023.

The effectiveness of our internal control over financial reporting as of December 31, 2023 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Item 9B. Other Information.**Rule 10b5-1 Trading Plans**

During the three months ended December 31, 2023, none of our directors and executive officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 9.C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III**Item 10. Directors, Executive Officers and Corporate Governance.**

The information required by this item is incorporated herein by reference to our definitive proxy statement relating to our 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2023.

The Company has adopted a code of business conduct and ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. A copy of that code is available on our principal corporate website at www.advantagesolutions.net.

Item 11. Executive Compensation.

The information required by this item is incorporated herein by reference to our definitive proxy statement relating to our 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2023.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to our definitive proxy statement relating to our 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2023.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to our definitive proxy statement relating to our 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2023.

Item 14. Principal Accountant Fees and Services

The information required by this item is incorporated herein by reference to our definitive proxy statement relating to our 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2023.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a)(1) Financial Statements.

See Index to Financial Statements in Item 8. Financial Statements and Supplementary Data.

(a)(2) Financial Statement Schedule.

Schedule I—Condensed Registrant Only Financial Information. See Index to Financial Statements in Item 8. *Financial Statements and Supplementary Data*.

All other financial statement schedules have been omitted as the information is not required under the related instructions or is not applicable or because the information required is already included in the financial statements or the notes to those financial statements.

(a)(3) Exhibits.

Exhibit No.	Description	Form	File No.	Incorporated by Reference Exhibit	Filing Date
2.1	<u>Agreement and Plan of Merger, dated as of September 7, 2020, by and among Conyers Park II Acquisition Corp., CP II Merger Sub, Inc., Advantage Solutions Inc., and Karman Topco L.P.</u>	8-K	001-38990	2.1	September 8, 2020
3.1	<u>Third Amended and Restated Certificate of Incorporation of Advantage Solutions Inc.</u>	8-K	001-38990	3.1	May 28, 2021
3.2	<u>Third Amended and Restated Bylaws of Advantage Solutions Inc.</u>	8-K	001-38990	3.1	April 13, 2021
4.1	<u>Specimen Common Stock Certificate</u>	8-K	001-38990	4.1	November 3, 2020
4.2	<u>Warrant Agreement, dated July 22, 2019, between Conyers Park II Acquisition Corp. and Continental Stock Transfer & Trust Company</u>	8-K	001-38990	4.1	July 22, 2019
4.3	<u>Specimen Warrant Certificate (included in Exhibit 4.2)</u>	8-K	001-38990	4.1	July 22, 2019
4.4	<u>Indenture, dated as of October 28, 2020, among Advantage Solutions FinCo LLC, Advantage Sales & Marketing Inc., the guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent</u>	8-K	001-38990	4.4	November 3, 2020
4.5	<u>Form of 6.50% Senior Secured Notes due 2028 (included in Exhibit 4.4)</u>	8-K	001-38990	4.4	November 3, 2020
10.1	<u>Amended and Restated Stockholders Agreement, dated as of October 27, 2020, by and among Conyers Park II Acquisition Corp., Karman Topco L.P., CVC ASM Holdco, L.P., the entities identified on the signature pages thereto under the heading "LGP Stockholders", BC Eagle Holdings, L.P., and Conyers Park II Sponsor LLC</u>	8-K	001-38990	10.2	November 3, 2020
10.2	<u>Registration Rights Agreement, dated as of September 7, 2020 by and between Karman Topco L.P., Karman II Coinvest LP, Green Equity Investors VI, L.P., Green Equity Investors Side VI, L.P., LGP Associates VI-A LLC, LGP Associates</u>	8-K	001-38990	10.3	November 3, 2020

VI-B LLC, CVC ASM Holdco, LP, JCP ASM Holdco, L.P.,
Karman Coinvest L.P., Centerview Capital, L.P.,
Centerview Employees, L.P., BC Eagle Holdings, L.P. and
Yonghui Investment Limited, Conyers Park II Sponsor LLC
and the other holders of Common Series B Units, Vested
Common Series C Units and Vested Common Series C-2
Units of Holdings listed on the schedule thereto as
Contributing Investors.

10.3	<u>Form of Investor Subscription Agreement</u>	8-K	001-38990	10.4	September 8, 2020
10.4	<u>Form of Sponsor Subscription Agreement</u>	8-K	001-38990	10.5	September 8, 2020
10.5#	<u>Advantage Solutions Inc. 2020 Incentive Plan</u>	8-K	001-38990	10.6#	November 3, 2020
10.5(a)#	<u>Form of Stock Option Award Grant Notice and Agreement under the Advantage Solutions Inc. 2020 Incentive Plan</u>	10-K	001-38990	10.6(a)#	March 16, 2021
10.5(b)#	<u>Form of Restricted Stock Award Grant Notice and Agreement under the Advantage Solutions Inc. 2020 Incentive Plan</u>	10-K	001-38990	10.6(b)#	March 16, 2021
10.5(c)#	<u>Form of Performance Restricted Stock Unit Grant Notice and Agreement under the Advantage Solutions Inc. 2020 Incentive Award Plan</u>	10-K	001-38990	10.6(c)#	March 16, 2021
10.5(d)##	<u>Advantage Solutions Inc. Non-Employee Director Compensation Policy</u>				
10.5(e)#	<u>Form of Restricted Stock Unit Award Agreement (Non-Employee Directors) under the Advantage Solutions Inc. 2020 Incentive Award Plan</u>	8-K	001-38990	99.4	January 6, 2021
10.6#	<u>Advantage Solutions Inc. 2020 Employee Stock Purchase Plan</u>	8-K	001-38990	10.7#	November 3, 2020
10.7#	<u>Amended and Restated Employment Agreement dated as of March 1, 2022, by and between Advantage Solutions Inc. and Tanya Domier</u>	8-K	001-38990	10.2#	March 1, 2022
10.8#	<u>Third Amended and Restated Employment Agreement, dated September 30, 2022, by and between Brian Stevens and Advantage Sales & Marketing LLC</u>	8-K	001-38990	10.1#	October 4, 2022
10.9#	<u>Transition Agreement dated March 13, 2023, by and between Brian Stevens and Advantage Sales & Marketing LLC</u>	8-K	001-38990	10.1#	March 14, 2023
10.10#	<u>Amended and Restated Employment Agreement, dated March 1, 2022, by and between Advantage Solutions Inc. and Jill Griffin</u>	8-K	001-38990	10.1#	March 1, 2022
10.11#	<u>Separation Agreement and General Release executed January 16, 2023, by and between Advantage Solutions Inc. and Jill Griffin</u>	8-K	001-38990	10.1#	May 10, 2023
10.12##	<u>Employment Agreement dated March 28, 2024, by and between Advantage Solutions Inc. and Jack Pestello</u>				
10.13#	<u>Amended and Restated Employment Agreement dated March 31, 2023, by and between Advantage Solutions Inc. and Christopher Growe</u>	10-Q	001-38990	10.1#	April 3, 2023

10.14##*	<u>Executive Employment Agreement dated October 18, 2017, by and between Daymon Worldwide Inc. and Michael Taylor</u>				
10.15#	<u>Form of Indemnification Agreement</u>	8-K	001-38990	10.11#	November 3, 2020
10.16	<u>Eighth Amended and Restated Agreement of Limited Partnership for Karman Topco L.P., dated as of September 7, 2020</u>	8-K	001-38990	10.14	November 3, 2020
10.17	<u>First Amendment to Eighth Amended and Restated Limited Partnership Agreement of Karman Topco L.P.</u>	10-K	001-38990	10.19	March 1, 2023
10.18	<u>ABL Revolving Credit Agreement, dated October 28, 2020, by and among Advantage Sales & Marketing Inc., as Borrower, Karman Intermediate Corp., Bank of America, N.A., as Administrative Agent and Collateral Agent, and the lender parties thereto.</u>	8-K	001-38990	10.15	November 3, 2020
10.19	<u>First Lien Credit Agreement, dated October 28, 2020, by and among Advantage Sales & Marketing Inc., as Borrower, Karman Intermediate Corp., Bank of America, N.A., as Administrative Agent and Collateral Agent, and the lender parties thereto.</u>	8-K	001-38990	10.16	November 3, 2020
10.20	<u>Amendment No. 1 to First Lien Credit Agreement, dated as of October 28, 2021, by and among the Borrower, Holdings, the other guarantors parties thereto, each lender party thereto, and Bank of America, as administrative agent.</u>	8-K	001-38990	10.1	October 29, 2021
10.21	<u>First Amendment to ABL Revolving Credit Agreement, dated as of October 28, 2021, by and among the Borrower, Holdings, the lenders party thereto and Bank of America, as administrative agent.</u>	8-K	001-38990	10.2	October 29, 2021
10.22	<u>Second Amendment to ABL Revolving Credit Agreement, dated as of December 2, 2022, by and among the Borrower, Holdings, the lenders party thereto and Bank of America, as administrative agent.</u>	8-K	001-38990	10.1	December 6, 2022
10.23	<u>Amendment No. 2 to First Lien Credit Agreement, dated as of May 24, 2023, by and among the Borrower, Holdings, the other guarantors parties thereto, each lender party thereto, and Bank of America, as administrative agent</u>	10-Q	001-38990	10.1	August 4, 2023
14.1	<u>Code of Ethics</u>	10-K	001-38990	14.1	March 1, 2023
21.1*	<u>List of Subsidiaries</u>				
23.1*	<u>Consent of PricewaterhouseCoopers LLP</u>				
31.1*	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</u>				
31.2*	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</u>				
32.1**	<u>Section 1350 Certification of Chief Executive Officer</u>				

32.2**	Section 1350 Certification of Chief Financial Officer
97.1	Policy Relating to Recovery of Erroneously Awarded Compensation
101.INS	Inline 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	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** The certifications attached as Exhibit 32.1 and Exhibit 32.2 that accompany this Annual Report on Form 10-K are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

Indicates management contract or compensatory plan or arrangement.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADVANTAGE SOLUTIONS INC.

By: /s/ David Peacock

David Peacock

Chief Executive Officer and Director

Date: March 1, 2024

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

SIGNATURE	TITLE	DATE
<u>/s/ David Peacock</u>	Chief Executive Officer (Principal Executive Officer) and Director	March 1, 2024
David Peacock		
<u>/s/ Christopher Growe</u>	Chief Financial Officer (Principal Financial Officer)	March 1, 2024
Christopher Growe		
<u>/s/ Bevin Conley</u>	Chief Accounting Officer (Principal Accounting Officer)	March 1, 2024
Bevin Conley		
<u>/s/ Chris Baldwin</u> Chris Baldwin	Director	March 1, 2024
<u>/s/ Cameron Breitner</u>	Director	March 1, 2024
Cameron Breitner		
<u>/s/ Virginie Costa</u>	Director	March 1, 2024
Virginie Costa		
<u>/s/ Timothy J. Flynn</u>	Director	March 1, 2024
Timothy J. Flynn		
<u>/s/ Tiffany Han</u>	Director	March 1, 2024
Tiffany Han		
<u>/s/ James M. Kilts</u>	Chairman and Director	March 1, 2024
James M. Kilts		
<u>/s/ Adam Levyn</u> Adam Levyn	Director	March 1, 2024
<u>/s/ Jody Macedonio</u> Jody Macedonio	Director	March 1, 2024
<u>/s/ Robin Manherz</u>	Director	March 1, 2024
Robin Manherz		

SIGNATURE	TITLE	DATE
/s/ Adam Nebesar Adam Nebesar	Director	March 1, 2024
/s/ Deborah Poole Deborah Poole	Director	March 1, 2024
/s/ Brian K. Ratzan Brian K. Ratzan	Director	March 1, 2024
/s/ David J. West David J. West	Director	March 1, 2024

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is dated as of March 28, 2023, by and between Advantage Solutions Inc., a Delaware corporation (the "Company"), and Jack Pestello (the "Executive").

WHEREAS, the Company desires to obtain the benefit of the experience, services, skills, and abilities of the Executive in connection with the operation of the Company and desires to employ the Executive upon the terms and conditions set forth herein, and the Executive is willing and able to accept such employment on such terms and conditions;

WHEREAS, it is the desire of the Company to assure itself of the services of Executive following the Effective Date (as defined below) and thereafter on the terms herein provided by entering into this Agreement; and

WHEREAS, it is the desire of Executive to provide services to the Company following the Effective Date and thereafter on the terms herein provided.

NOW, THEREFORE, in consideration of the promises and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive agree as follows:

1. Agreement to Employ; No Conflicts.

1.1 This Agreement shall become effective on April 10, 2023, unless otherwise mutually agreed between the Company and the Executive (the "Effective Date").

1.2 Upon the terms and subject to the conditions of this Agreement, the Company hereby employs the Executive, and the Executive hereby accepts employment with the Company. The Executive represents that (a) the Executive is entering into this Agreement voluntarily and that the Executive's employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by the Executive of any agreement to which the Executive is a party or by which the Executive may be bound (including, without limitation, any non-competition, non-solicitation, confidentiality or proprietary non-disclosure, or other similar covenant or agreement); (b) in connection with Executive's employment with the Company, Executive will not use any confidential or proprietary information Executive may have obtained in connection with employment with any prior employer; (c) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of the Executive, enforceable in accordance with its terms; and (d) the Executive does not have any interest in any intangible asset including, without limitation, intellectual property, goodwill, trade secrets, and general know-how, used in, or useful to the Company's business.

2. Employment Duties. During the Term (as defined below), the Executive shall serve as the Company's Chief Operating Officer, Branded Services. The Executive shall also serve on request, during all or any portion of the Term, as an officer, director, and/or manager of any of the Company's subsidiaries or affiliates as the Company may deem appropriate, without any additional compensation therefor. Executive acknowledges and agrees that the Executive's compensation and benefits under this Agreement, as applicable, may be paid to the Executive by a subsidiary or affiliate of the Company (including, without limitation, Advantage Sales & Marketing LLC). During the Term, the Executive will use the Executive's best efforts to advance the business interests of, and devote substantially all of Executive's working time, attention and efforts to the business and affairs of the Company (which shall include service to its affiliates). The Executive may engage in appropriate civic, charitable or religious activities of the Executive's own choosing, provided that such activities do not materially interfere with

Executive's performance of Executive's duties and responsibilities hereunder (including the Restrictive Covenants) and are not otherwise contrary to the Company's interests, in each case as determined by the Company in its reasonable good faith business judgement. Except as set forth above, the Executive will not engage in any other business activities, including serving on outside boards or committees (whether or not the Executive receives any compensation therefor) without the prior written consent of the Company; provided, however, that the Company will not unreasonably withhold its consent to Executive serving as a director on a board of a public company, so long as such service does not create any conflict of interest, reputational issues or similar concerns.

3. Term of Employment; Term Expiration.

3.1 The term of the Executive's employment under this Agreement shall commence on the Effective Date and continue until terminated as provided herein (the "Term").

3.2 Upon termination of this Agreement, the Executive shall not be entitled to any rights or benefits hereunder.

4. Place of Employment. The Executive's principal place of employment shall initially be in Northwest Arkansas; provided, however, that the Company in its sole discretion may require the Executive to report to another location so long as such location is where the Company requires senior management (including the Company's Chief Executive Officer) to meet and perform duties. The Executive and the Company may also mutually agree on a different location. From time to time, Executive may be required to travel to other locations in the performance of Executive's responsibilities under this Agreement.

5. Compensation; Reimbursement. During the Term, the Company shall pay or provide to the Executive, in full satisfaction for the Executive's services provided hereunder, the following:

5.1 Base Salary. During the Term, the Company shall pay the Executive a base salary of \$600,000 per year ("Base Salary"), which shall be subject to annual review and payable in accordance with the payroll policies of the Company for senior executives as from time to time in effect, less such amounts as may be required to be withheld by applicable federal, state and local law and regulations or otherwise elected by the Executive to be withheld (the "Payroll Policies"). The Base Salary may only be reduced as part of a reduction in the base salary of all executive officers of the Company, and in no event may the Base Salary be reduced below ninety percent (90%) of the Base Salary provided for in this Agreement.

5.2 Cash Bonus. During the Term, Executive shall be eligible to receive a target bonus of one hundred percent (100%) of the Executive's Base Salary (the "Target Bonus Opportunity") pursuant to the terms of the Executive Bonus Plan approved by the Company's Board of Directors (the "Board") or the compensation committee of the Board (the "Compensation Committee"), based on performance metrics to be established by the Board or the Compensation Committee in its discretion following consultation with the Executive. Executive may be eligible for a maximum bonus opportunity as approved in writing from time to time by the Board or the Compensation Committee in their sole and absolute discretion. If Executive earns a bonus in accordance with the Executive Bonus Plan, Executive's bonus will be paid in the calendar year immediately following the year to which the bonus relates, on or about March 15 of such year, or, if later, as soon as practicable following the completion of the Company's audited financial statements for the year to which the bonus relates, and in no event later than December 31 of the calendar year immediately following the year to which the bonus relates. For the 2023 plan year, you will be entitled to receive seventy-five percent (75%) of your bonus target, subject to your continued employment with the Company at the time bonuses for calendar year 2023 are paid (such payment to be made in accordance with the Company's Executive Bonus Plan). For the 2024 plan year and thereafter, your bonus amount will be subject to performance objectives, and will be paid out (if at

all) in accordance with the Company's Executive Bonus Plan.

5.3 Equity.

(a) Initial Option Grant. As soon as reasonably practicable following the Effective Date and subject to the approval of the Compensation Committee and the terms and conditions of such approval, the Company will grant to Executive, pursuant to the Plan (as defined below), an initial option grant to purchase 2,000,000 shares of the Company's Class A common stock on June 1, 2023. Such grant will vest over five years, in increments of one-fifth of the options on each of the first five anniversary dates of the Effective Date; provided, however, that the options shall become fully vested upon a Change in Control (as defined in the Plan). The options shall have an exercise price of (1) \$2.00 with respect to one-third (1/3rd) of the options; (2) \$5.00, with respect to another one-third (1/3rd) of the options; and (3) \$10.00, with respect to the last one-third (1/3rd) of the options; provided, however, that in no event shall any of the options be granted with an exercise price that is less than the fair market value per share of the Company's Class A common stock on the date of grant. In all other respects, the options shall be subject to the terms and conditions of the Plan, the applicable option award agreement, and the other documents governing the options. The option grant described in this Section 5.3(a) shall be granted subject to stockholder approval of an amendment to the Company's 2020 Incentive Award Plan, as amended and restated or otherwise modified from time to time (the "Plan"), increasing the number of shares available for issuance thereunder out of which the option grant described in this Section 5.3(a) will be granted at the Company's 2023 annual meeting of stockholders, and if such stockholder approval is not obtained, the foregoing option grant will automatically terminate and be forfeited.

(b) Initial Annual Equity Grant. For the 2023 fiscal year the Executive will be eligible for an initial equity grant with an aggregate value of \$1,000,000, which will consist of 75% performance restricted stock units (PSUs) and 25% restricted stock units (RSUs), subject to the approval and discretion of the Compensation Committee and subject to the terms and conditions of the Company's organizational documents, any applicable plan documents, and individual award agreements, as such documents and agreements may be amended from time to time. Such equity grant is anticipated to be granted effective on or about June 1, 2023, subject to stockholder approval of an amendment to the Plan increasing the number of shares available for issuance thereunder out of which the equity grant described in this Section 5.3(b) will be granted at the Company's 2023 annual meeting of stockholders.

(c) Subsequent Annual Equity Grants. For the 2024 fiscal year and subsequent fiscal years, the Executive will be eligible for an annual equity grant with an aggregate value of up to \$1,000,000, subject to the approval and discretion of the Compensation Committee and subject to the terms and conditions of the Company's organizational documents, any applicable plan documents, and individual award agreements, as such documents and agreements may be amended from time to time.

5.4 Expenses. During the Term, the Company will pay or reimburse the Executive for ordinary and reasonable business-related expenses the Executive incurs in the performance of his duties upon presentation of appropriate documentation, subject to the Company's expense reimbursement policies for senior executives, which are subject to the review and approval of the Board or the Compensation Committee.

5.5 Benefits.

(a) During the Term, the Executive shall be entitled to participate in all health, life, disability and other benefits generally made available from time to time by the Company to its senior executives pursuant to the terms of those plans; provided, however, that the Company shall be entitled to amend, modify or terminate any employee benefit plans.

(b)During the Term, the Company shall maintain and the Executive shall be eligible to participate in Benicomp or any replacement executive healthcare plan that provides reimbursement for out of pocket healthcare costs; the Company's executive long-term disability plan; and other executive benefit programs (if and as applicable); provided, however, that the Company shall be entitled to amend, modify or terminate any such plans (the plans referenced in this Section 5.5, collectively, the "Benefit Plans"). Further, the Company's maintaining any or all of the Benefit Plans for senior executives consistent with current levels shall be subject to review and approval of the Compensation Committee.

5.6 Vacation and Sick Time. The Executive shall not earn, accrue, or receive vacation or floating holidays. The Executive shall be entitled to take paid vacation on an as needed basis, subject to the approval of the Chief Executive Officer, so long as the Executive's absence from work does not interfere with the performance of the Executive's job duties and the interests of the Company. Notwithstanding this provision, the Executive shall be eligible for sick time in accordance with the Company's sick time policy and entitled to any leave of absence for which the Executive would otherwise be eligible in accordance with Company policy or any applicable local, state or federal law.

6.Termination. The following shall apply in the event Executive's employment terminates during the Term at any time for any of the reasons set forth below:

6.1 Upon Death or Disability.

(a)If during the Term, the Executive experiences a Disability (as defined below), the Company may terminate the Executive's employment hereunder. In order to assist the Company in making a Disability determination, the Executive shall, as reasonably requested by the Company, (1) make the Executive available for medical examinations by one or more physicians chosen by the Company and reasonably acceptable to the Executive and (2) to the extent reasonably necessary to make such determination, grant to the Company and any such physicians access to all relevant medical information concerning the Executive, arrange to furnish copies of the Executive's medical records to the Company and use the Executive's best efforts to cause the Executive's own physicians to be available to discuss the Executive's health with the Company and the Company will keep such records and information confidential except as reasonably necessary to make such determination. If the Executive dies during the Term, the Executive's employment hereunder shall automatically terminate as of the close of business on the date of Executive's death.

(b)If the Executive's employment is terminated as a result of the Executive's Disability or death, the Executive (or Executive's legal representative, as applicable) shall be entitled to receive: (1) the Executive's Base Salary then in effect at the time of such termination, through the date of termination; (2) reimbursement for any unreimbursed business expenses properly incurred by the Executive in accordance with Section 5.4; (3) employee benefits that Executive was receiving at such time through the date of termination; (4) the opportunity to elect benefits continuation post-employment, which opportunity the Executive may be entitled under the Benefit Plans as of the date of such termination pursuant to the terms thereof (the amounts described in clauses (1) through (4) hereof being referred to as the "Accrued Rights"); and (5) any bonus earned but unpaid for the immediately preceding fiscal year, which bonus shall be paid in accordance with Section 5.2 (the "Accrued Bonus").

(c)In addition to the Accrued Rights and Accrued Bonus, if the Executive's employment is terminated as a result of the Executive's Disability or death, the Company will, subject to Sections 6.5, 6.9 and 9, pay to the Executive or the Executive's legal representative the Executive's Base Salary then in effect at the time of such termination for six (6) months following such termination, less any amounts received by the Executive under the Company's disability policies, if applicable. Such payments will be made in equal installments over such six (6) month period in accordance with the

Payroll Policies, Section 9 and the terms of the Release (as defined below), with the first such payment to occur on the First Payment Date (as defined below) (which first payment will include any installments that would have been paid pursuant to the Payroll Policies prior to such First Payment Date). Subject to Section 6.5, the Executive will also, in the case of a termination for Disability, be entitled to payment to the Executive of the Company's portion of post-employment Company-sponsored health insurance premiums under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") (at the same levels and costs in effect on the date of termination (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars)) to the extent permissible under the Company's health insurance plans, including, if permitted and still maintained by the Company, Benicomp (as may be amended, modified or terminated by the Company from time to time), and subject to Executive's valid election to continue healthcare coverage under COBRA, during such six (6) month period, subject to applicable taxes and withholdings; provided, that if the Executive becomes covered by the health insurance policy of any subsequent employer during such six (6) month period, the continuation of such health insurance coverage and premium payment by the Company shall cease.

(d)Following the termination of the Executive's employment on account of the Executive's Disability or upon the Executive's death, the Executive shall have no further rights to any compensation or any other benefits with respect to the Executive's employment with the Company except as set forth in this Section 6.1.

(e)For purposes of this Agreement, "Disability" shall mean the Executive becoming physically or mentally disabled, whether totally or partially, either permanently or so that the Executive, in the good faith judgment of the Company, is unable to perform Executive's duties hereunder (with or without reasonable accommodation) for a period of twenty six (26) weeks during any twelve (12) month period during the Term; provided, however, that to the extent that any payments or benefits payable upon a termination hereunder constitute deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), then the definition of "Disability" shall be as set forth in Treas. Reg. Section 1.409A 3(i)(4).

6.2For Cause. The Company may terminate the Executive's employment hereunder at any time, effective immediately upon written notice to the Executive, for Cause (as defined below), subject to the notice and cure periods set forth below. If the Executive's employment is terminated by the Company for Cause, the Executive shall be entitled to receive the Accrued Rights. Following a termination of the Executive's employment by the Company for Cause, the Executive shall have no further rights to any compensation or any other benefits with respect to the Executive's employment with the Company except as set forth in this Section 6.2. The Company shall have "Cause" for termination of the Executive's employment if any of the following has occurred:

(a)the Executive's dishonesty or gross negligence in the performance of the Executive's duties hereunder, which dishonesty or gross negligence, if curable in the reasonable determination of the Company, is not cured within 10 calendar days after a written notice specifying such dishonesty or gross negligence is received by the Executive from the Company;

(b)the Executive's willful or continued failure to perform the Executive's duties in all material respects, which failure, if curable in the reasonable determination of the Company, is not cured within 10 calendar days after a written notice specifying such failure is received by the Executive from the Company;

(c)the Executive's intentional misconduct in connection with the performance of the Executive's duties, which misconduct, if curable in the reasonable determination of the Company, is not cured within 10 calendar days after a written notice specifying such misconduct is received by the Executive from the Company;

(d)the Executive's conviction of, nolo contendere or guilty plea to, a crime that constitutes a felony, or a misdemeanor involving moral turpitude;

(e)a material breach by the Executive of this Agreement or any restrictive covenant(s) entered into by and between the Company and the Executive (including, without limitation, any restrictive covenant agreement or confidentiality, property protection, non-competition and/or non- solicitation agreement executed by Executive, collectively, the "Restrictive Covenant(s)"), which breach, if curable in the reasonable determination of the Company, is not cured within 10 calendar days after a written notice specifying such breach is received by the Executive from the Company;

(f)following a reasonable investigation by the Company, the Company finds a violation by the Executive of any material written policy of the Company, including, but not limited to, policies and procedures pertaining to harassment, discrimination, and drug and alcohol use, which violation, if curable in the reasonable determination of the Company, is not cured within 10 calendar days after a written notice specifying such violation is received by the Executive from the Company; or

(g)confirmed positive illegal drug test result for the Executive, after the Executive has been given a reasonable opportunity to present evidence refuting such result to the Company.

6.3 Without Cause or With Good Reason.

(a)The Company may terminate the Executive's employment hereunder without Cause at any time upon written notice to the Executive and the Executive may terminate Executive's employment for Good Reason (as defined below) if Executive provides three (3) months prior written notice to the Company, which notice period may be reduced by the Company upon receipt of such notice. If the Executive's employment is terminated by the Company without Cause or by the Executive with Good Reason during the Term, the Executive shall be entitled to receive the Accrued Rights, any Accrued Bonus and, subject to Section 6.5, the additional benefits provided in this Section 6.3.

(b)In addition to the Accrued Rights and any Accrued Bonus, if the Executive's employment is terminated by the Company without Cause or Executive terminates Executive's employment for Good Reason during the Term, subject to Section 6.5, 6.9 and 9:

(i)The Executive will be entitled to continue to receive, as severance, Executive's Base Salary then in effect at the time of such termination for a period of twelve (12) months following the date of termination (the "Severance Period"). Such payments will be made in equal installments over the Severance Period in accordance with the Payroll Policies, Section 9 hereof, and the terms of the Release, with the first such payment to occur on the First Payment Date (which first payment will include any installments that would have been paid pursuant to the Payroll Policies prior to such First Payment Date).

(ii)With respect to each outstanding equity award, the Executive shall be eligible to vest in an additional number of Executive's then outstanding equity awards equal to (A) the amount of the equity awards scheduled to vest on the next applicable vesting date, multiplied by (B) a fraction, the numerator of which is the number of days worked in the vesting period through the date of termination and the denominator of which is the total number of days in the vesting period ending with the next applicable vesting date. To the extent equity awards that are subject solely to time-based vesting become vested pursuant to this paragraph, they shall vest immediately effective as the date of the Executive's termination of employment. To the extent any equity awards that are subject to performance-based vesting become vested pursuant to this paragraph, they shall vest on the next applicable vesting date, provided that such equity awards subject to performance-based vesting shall

only vest to the extent of actual performance. In addition, the post-termination exercise period for any vested stock options held by the Executive as of the date of the Executive's termination shall be extended through the earlier to occur of (A) the first anniversary of the Executive's date of termination and (B) the expiration date of such stock option.

(iii) Subject to Section 6.5, the Executive will also be entitled during the Severance Period to payment to the Executive of the Company's portion of post-employment Company-sponsored health insurance premiums under COBRA (at the same levels and costs in effect on the date of termination (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars)) and subject to Executive's valid election to continue healthcare coverage under COBRA, to the extent permissible under the Company's health insurance plans, including, if permitted and still maintained by the Company and/or Benicomp (as may be amended, modified or terminated by the Company from time to time), subject to applicable taxes and withholdings; provided, that if the Executive becomes covered by the health insurance policy of any subsequent employer during the Severance Period, the continuation of such health insurance coverage (including, without limitation, Benicomp) and premium payment by the Company shall cease.

(c) Following a termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason, the Executive shall have no further rights to any compensation or any other benefits except as set forth in this Section 6.3.

6.4 Resignation Without Good Reason. The Executive may terminate Executive's employment without Good Reason (as defined below) upon thirty (30) days' prior written notice to the Company, which notice period may be reduced by the Company upon receipt of such notice. In the event of such a termination, the Executive shall be entitled to receive the Accrued Rights. Following a termination of the Executive's employment by the Executive without Good Reason, the Executive shall have no further rights to any compensation or any other benefits except as set forth in this Section 6.4. The Executive shall have "Good Reason" for termination of Executive's employment hereunder if, other than for Cause, any of the following has occurred:

(a) a reduction in the Base Salary or Target Bonus Opportunity other than as described under Section 5.1 of this Agreement;

(b) the movement by the Company, without the Executive's consent, of the Executive's principal place of employment to a site that is more than 50 miles from the Executive's current principal place of employment; provided, however, that, pursuant to Section 4 of this Agreement, the Company in its sole discretion may require the Executive to report to another location so long as such location is where the Company requires senior management (including the Company's Chief Executive Officer) to meet and perform duties;

(c) any material breach by the Company of this Agreement.

Notwithstanding the foregoing, the Executive shall not have "Good Reason" to terminate the Executive's employment in connection with any of the foregoing events unless (1) Executive provides the Company with three (3) months prior written notice of such termination, and such notice is provided within ninety (90) days of the initial occurrence of the event constituting Good Reason, (2) such termination is conditioned upon the Company failing to cure the event constituting Good Reason within the thirty-day period following provision of notice, (3) the Company fails to cure such event constituting Good Reason within such thirty-day period; and (4) and such resignation for Good Reason occurs following the expiration of the foregoing cure period.

6.5 Release. Notwithstanding the foregoing, in order to be eligible for any of the payments under Section 6.1 (in the case of termination for Disability) or 6.3, the Executive must (a)

execute and deliver to the Company a general release, substantially in the form attached hereto as Exhibit A (the "Release") (as may be modified only to the extent necessary to (i) have the same legal effect on the date of execution as it would if it were executed on the date hereof, and (ii) be in accordance with the limitations and requirements of applicable law) and not subsequently revoke such Release, and (b) be and remain in compliance with the Executive's obligations under this Agreement and the Restrictive Covenant(s). In the event that the Executive breaches the Executive's obligations hereunder or under the Restrictive Covenant(s), any and all payments or benefits provided for in Sections 6.1 and 6.3 shall cease immediately. The date on which the Release becomes effective is referred to herein as the Release Effective Date.

6.6No Reduction of Severance. Except as provided above, the amount of any severance payment or benefit shall not be reduced or offset by reason of any compensation earned by the Executive from a subsequent employer, and the Executive will not be under any obligation to seek other employment or to take any other actions to mitigate any severance payments or benefits amounts payable to the Executive.

6.7Resignations. The Executive shall be deemed to have voluntarily resigned from each officer and each director position the Executive holds with the Company and/or any of its subsidiaries or affiliates upon the termination of the Executive's employment for any reason. The Executive agrees to provide the Company with any documentation requested by it to evidence such resignation(s) promptly following the Company's request.

6.8Sole and Exclusive Remedy. It is further acknowledged and agreed by the parties that the actual damages to the Executive in the event of termination would be difficult if not impossible to ascertain, and, therefore, the salary and benefit continuation provisions set forth in this Section 6 shall be the Executive's sole and exclusive remedy in the case of termination and shall, as liquidated damages or severance pay or both, be considered for all purposes in lieu of any other rights or remedies, at law or in equity, which the Executive may have in the case of such termination.

6.9Return of Property and Information. On or before the termination of Executive's employment, or at any time upon demand of the Company, for whatever reason, Executive will return to the Company, all Company property, equipment, confidential information, records electronically stored data and other materials relating to Executive's employment, including tools, documents, papers, computer software, and passwords and other identification materials. This obligation applies to all materials relating to the affairs of the Company or any of its customers, clients, vendors, or agents that may be in Executive's possession or control.

7.Non-Disparagement. Subject to Section 12 below, the Executive will not, during the Term and thereafter: (a) make any statement disparaging or criticizing the Company, or any products or services offered by the Company or any of its affiliates, or (b) make any other statement which would be reasonably expected to (i) impair the goodwill or reputation of the Company or (ii) impair the goodwill or reputation of any products or services offered by the Company or any of its affiliates. For the avoidance of doubt, the foregoing shall not prohibit the Executive during the Term from discharging his duties by providing constructive criticism to his peers and superiors within the Company concerning the Company's products and services for the purpose of improving their quality and efficiency or from responding to a valid subpoena or other form of legal process. Notwithstanding the foregoing, nothing herein shall restrict the Executive from making truthful statements in response to a court order or lawful subpoena, to a governmental agency, or which by law cannot be subject to a non-disparagement covenant. Further, nothing herein shall prevent the Executive from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Executive has reason to believe is unlawful.

8. Certain Agreements.

8.1 Customers, Suppliers. The Executive does not have, and at any time during the Term shall not have, any employment with or any direct or indirect interest in (as owner, partner, shareholder, employee, director, officer, agent, consultant or otherwise) any client or customer of or supplier to the Company, other than the ownership of less than five percent (5%) of the securities of any class of corporation whose shares are listed or admitted to trade on a national securities exchange or are quoted on Nasdaq or a similar means if Nasdaq is no longer providing such information.

8.2 Company Policies and Procedures. Executive acknowledges and agrees that employment with the Company is conditioned upon Executive's timely and proper completion of federal and any applicable state employment eligibility requirements (including, but not limited to, the federal form I-9) and all new hire paperwork relevant to Executive's position, including the Company's Agreement Regarding Confidentiality, Non-Solicitation and Other Matters. Executive further agrees that employment with the Company is subject to, and Executive agrees to abide by, the policies and procedures made available to Executive as of the date hereof including, without limitation, those set forth in the Company's Employee Handbook and Code of Business Conduct & Ethics, as may be amended from time to time.

9. Necessary Amendments to Comply with Section 409A. The parties intend that the payments and benefits provided for in this Agreement either be exempt from Section 409A of the Code, or be provided in a manner that complies with Section 409A of the Code and any ambiguity herein shall be interpreted so as to be consistent with the intent of this Section. Notwithstanding anything contained herein to the contrary, all payments and benefits which are payable upon a termination of employment hereunder shall be paid or provided only upon those terminations of employment that constitute a "separation from service" from the Company within the meaning of Section 409A of the Code (determined after applying the presumptions set forth in Treas. Reg. Section 1.409A-1(h)(1)). Further, if the Executive is a "specified employee" as such term is defined under Section 409A of the Code and the regulations and guidance promulgated thereunder, any payments described in Section 6 shall be delayed for a period of six (6) months and one day following the Executive's separation from service to the extent and up to the amount necessary to ensure such payments are not subject to the penalties and interest under Section 409A of the Code. Any payments described in this Agreement that qualify for the "short-term deferral" exception from Section 409A as described in the Treasury Regulation Section 1.409A-1(b)(4) will be paid under such exception. The Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A of the Code. In the event the Release Effective Date does not occur on or prior to the date that is thirty (30) days following the Executive's date of termination, the Executive shall not be entitled to any of the payments provided under Section 6.1 (in the case of termination for Disability) or 6.3 (other than the Accrued Rights or the Accrued Bonus). Payment of the severance compensation that becomes payable hereunder shall commence on the Company's first payroll date that is coincident with or immediately following the date that is thirty (30) days following the Executive's separation from service (the "First Payment Date"), and the Executive shall receive any severance compensation that otherwise would have been paid prior to such First Payment Date absent the application of this Section 9 in a lump- sum payment on such First Payment Date. If additional guidance is issued under, or modifications are made to, Section 409A of the Code or any other law affecting payments to be made under this Agreement, the Executive agrees that the Company may take such reasonable actions and adopt such amendments as the Company believes are necessary to ensure continued compliance with the Code, including Section 409A thereof. However, the Company does not hereby or otherwise represent or warrant that any payments hereunder are or will be in compliance with Section 409A, and the Executive shall be responsible for obtaining his own tax advice with regard to such matters.

10. Notices. All notices or other communications hereunder shall be in writing and shall be

deemed to have been duly given (a) by hand (with written confirmation of receipt), (b) by registered mail, return receipt requested, or (c) by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate address set forth below (or to such other address as a party may designate by notice given in accordance herewith).

10.1For notices and communications to the address of the Company's principal executive offices and to the attention of the Company's General Counsel.

10.2For notices and communications to the Executive, to the Executive's most recent address on file with the Company. Any party hereto may, by notice to the other, change its address for receipt of notices hereunder.

11. Parachute Payments.

11.1Notwithstanding any other provisions of this Agreement or any employee benefit plans, programs or arrangements, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 6 above, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 11(b) below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

11.2The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A of the Code, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A of the Code, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code; provided, in case of subclauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

11.3The Company will select an adviser with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax, provided that the adviser's determination shall be made based upon "substantial authority" within the meaning of Section 6662 of the Code, (the "Independent Adviser") to make determinations regarding the application of this Section 11. The Independent Adviser shall provide its determination, together with detailed supporting calculations and documentation, to Executive and the Company within fifteen (15) business days following the date on which Executive's right to the Total Payments is triggered, if applicable, or such other time as requested by Executive (provided, that Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax) or the Company. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company. Any good faith determinations of the Independent Adviser made hereunder shall be final, binding and conclusive upon the Company and Executive.

11.4In the event it is later determined that to implement the objective and intent of this Section 11, (i) a greater reduction in the Total Payments should have been made, the excess amount shall be returned promptly by Executive to the Company or (ii) a lesser reduction in the Total Payments should have been made, the excess amount shall be paid or provided promptly by the Company to Executive, except to the extent the Company reasonably determines would result in imposition of an excise tax under Section 409A of the Code.

12.Whistleblower Protections and Trade Secrets; Other Protected Activity. Notwithstanding anything to the contrary contained herein, nothing in this Agreement prohibits Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity (including but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, the National Labor Relations Board (the “NLRB”) or the U.S. Department of Justice) in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies). Further, nothing herein will prevent the Executive from participating in activity permitted by Section 7 of the National Labor Relations Act or from filing an unfair labor practice charge with the NLRB. Furthermore, in accordance with 18 U.S.C. § 1833, notwithstanding anything to the contrary in this Agreement: (i) Executive shall not be in breach of this Agreement, and shall not be held criminally or civilly liable under any federal or state trade secret law (A) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (B) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (ii) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive’s attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

13. General.

13.1Governing Law; Arbitration. This Agreement shall be governed by the laws of the State of Arkansas, without regard to any conflicts of laws principles thereof that would call for the application of the laws of any other jurisdiction.

Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement shall be settled exclusively by arbitration, conducted before a panel of three (3) arbitrators in the State of Arkansas, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association then in effect. The arbitrators shall not have the authority to add to, detract from, or modify any provision hereof nor to award punitive damages to any injured party. The arbitrators shall have the authority to order back-pay, severance compensation, reimbursement of costs, including those incurred to enforce this Agreement, and interest thereon. A decision by a majority of the arbitration panel shall be final and binding. Judgment may be entered on the arbitrators’ award in any court having jurisdiction. Responsibility for bearing the cost of the arbitration shall be determined by the arbitrator and shall be proportional to the arbitrator’s decision on the merits. Notwithstanding anything herein to the contrary, the Company or the Executive shall be entitled to bring an action for equitable relief, including injunctive relief and specific performance in any court of competent jurisdiction.

13.2Waiver of Jury Trial. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING

RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

13.3Amendment: Waiver. This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument executed by the parties hereto or, in the case of a waiver, by the party waiving compliance. The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

13.4Successors and Assigns. This Agreement shall be binding upon the Executive, without regard to the duration of the Executive's employment by the Company or reasons for the cessation of such employment, and inure to the benefit of the Executive's administrators, executors, heirs and assigns, although the obligations of the Executive are personal and may be performed only by the Executive. The Company may assign this Agreement and its rights and interests, together with its obligations, hereunder (a) in connection with any sale, transfer or other disposition of all or substantially all of its assets or business(es), whether by merger, consolidation or otherwise; (b) to any wholly owned subsidiary of the Company; or (c) as collateral to one or more lenders of the Company or its subsidiaries or affiliates. This Agreement shall also be binding upon and inure to the benefit of the Company and its subsidiaries, successors and assigns, and the rights of the Company hereunder are enforceable by its subsidiaries or affiliates, which are the intended third party beneficiaries hereof and no other third party beneficiary is so otherwise intended.

13.5Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered to have the force and effect of an original. Any counterpart signature transmitted by facsimile or by sending a scanned copy by email or similar electronic transmission shall be deemed an original signature.

13.6Severability. If any portion of this Agreement is held invalid or inoperative, the other portions of this Agreement shall be deemed valid and operative and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion held invalid or inoperative.

13.7Rules of Construction. Each of the parties acknowledges that it has been represented by (or has had the opportunity to be represented by) independent counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that it has executed the same with consent and upon the advice of said independent counsel (if the party has elected to obtain such advice). Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any party that drafted it is of no application and is hereby expressly waived.

13.8Entire Agreement. This Agreement (together with the documents referred to herein, including without limitation the Restrictive Covenants and any documents evidencing such Restrictive Covenants) supersedes all prior agreements between the parties with respect to its subject matter; and is a complete and exclusive statement of the terms of the agreement between the parties with respect thereto.

13.9Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on the advice of counsel if any questions as to the amount or requirement of withholding shall arise.

13.10Delivery by Facsimile or Email. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or email with scan or facsimile attachment or electronic signature tool such as DocuSign, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto shall re-execute original forms thereof and deliver them to all other parties (with any costs associated with such request and delivery to be assumed by the requesting party). No party hereto shall raise the use of a facsimile machine or email or electronic signature tool such as DocuSign to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or email or electronic signature tool such as DocuSign as a defense to the formation or enforceability of a contract, and each such party forever waives any such defense.

13.11Survival. The covenants, provisions, terms and conditions of Sections 6 and 7 and Sections 9 through 13 of this Agreement shall survive and continue in full force in accordance with their terms notwithstanding the termination of this Agreement and/or the termination of the Executive's employment regardless of the circumstances of or reason for such termination.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

COMPANY:

Advantage Solutions Inc.

By: /s/ David Peacock

Name: David Peacock

Title: Chief Executive Officer

EXECUTIVE:

By: /s/ Jack Pestello

Name: Jack Pestello

[Signature Page to Employment Agreement]

EXHIBIT A

Form of General Release

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (the “Agreement”) is entered into by and between Jack Pestello (“Employee”), on the one hand, and Advantage Solutions Inc., a Delaware corporation (the “Company”), on the other hand.

WHEREAS, Company employed Employee pursuant to that certain Employment Agreement dated as March 28, 2023, as amended or otherwise modified from time to time (the “Employment Agreement”);

WHEREAS, Employee’s employment and all of Employee’s positions with Company and its subsidiaries and affiliates terminated effective [DATE] (the “Termination Date”);

WHEREAS, Employee seeks to obtain the payments and benefits provided under the Employment Agreement;

WHEREAS, Employee acknowledges that Employee has received all accrued wages, bonus, vacation/paid time-off and any other compensation due as of the Termination Date; provided, however, that Employee understands Employee may subsequently receive a separate check for reimbursement of reasonable business expenses in accordance with Company policies; and

WHEREAS, capitalized terms used, but not defined in this Agreement, shall have the meanings ascribed to such terms in the Employment Agreement.

NOW THEREFORE, in an effort to put any and all disputes behind the parties, for and in consideration of the mutual covenants contained herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties have agreed to settle finally and forever any and all claims between them of any nature whatsoever relating to, or arising from Employee’s employment by Company and/or the termination of that employment.

1. Effective Date. This Agreement shall not become effective unless and until (i) the Company has received this Agreement signed by Employee without modification; and (ii) the 7-

day revocation period referenced herein has expired and Employee has not revoked Employee’s assent to this Agreement, and shall thereafter be effective as of the date such revocation period terminates without exercise (the “Effective Date”). In the event the Effective Date does not occur within thirty (30) days following the Termination Date, the Executive shall not be eligible to receive any of the severance payments or benefits under the Employment Agreement.

2. Severance Pay and Benefits. Provided that (i) the Effective Date has occurred; within thirty (30) days following the Termination Date (ii) Employee has not revoked Employee’s assent to this Agreement; and (iii) Employee has returned all Company property (including without limitation any and all confidential and proprietary information) issued to Employee in connection with Employee’s employment with the Company as required by Section 6.9 of the Employment Agreement:

Company shall pay Employee the gross amount of [\$.AMOUNT], which represents [APPLICABLE TIME PERIOD] ([]) months (the “Severance Period”) of Employee’s current Base Salary under the Employment Agreement, less normal, customary, and required withholdings for

federal and state income tax, FICA, and other taxes ("the Severance Pay"). Unless terminated earlier pursuant to the Employment Agreement, the Severance Pay shall be payable at the times set forth in, and subject to the terms and conditions of, the Employment Agreement.

Company shall pay Employee the following: [APPLICABLE TIME PERIOD] ([]) months of the Company's portion of post-employment company sponsored health insurance premiums under COBRA (at the same levels and costs in effect on the date of termination (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars)) ("Severance Benefits"), to the extent permissible under the Company's health insurance plans including, if permitted and still maintained by the Company and/or Benicomp (subject to applicable taxes and withholdings).

(a) The Company will make the first monthly Severance Benefits payment to Employee as soon as administratively possible following (i) the Effective Date, and (ii) receipt by Company of notification that Employee has made the necessary election of benefits continuation under COBRA. Unless terminated earlier pursuant to the Employment Agreement or at the election of Employee, the Company will continue to pay Employee the monthly installment of the Severance Benefits for the Severance Period, so long as the Company receives notification that the Employee is continuing to pay the necessary premiums to the carrier or COBRA administrator.

(b) Employee will be responsible for paying the full amount of the premium, plus applicable administrative fees, to the carrier or COBRA administrator.

The entire amount of the payments set forth in Section 2 and its subsections paid by the Company to Employee is considered taxable income and will be reported on a Form W-2 issued to Employee for the applicable year.

In the event the Company, after reasonable investigation, determines that Employee has breached Employee's obligations under (i) this Agreement or the Employment Agreement; or (ii) the Restrictive Covenants; if applicable, Employee's eligibility for the Severance Pay and Severance Benefits shall cease immediately. Moreover, from the date of the breach, the Company shall be entitled to recover payments in excess of one thousand dollars (\$1,000.00) made to the Employee for Severance Pay under this Agreement.

Employee acknowledges that the Severance Pay and Severance Benefits exceeds any earned wages or anything else of value otherwise owed to Employee by the Company.

3. General Release of Claims.

Except for the obligations arising out of this Agreement and any claims that cannot be waived as a matter of law, in consideration of this Agreement and the other good and valuable consideration provided to Employee pursuant hereto, Employee, for Employee and on behalf of each and all of Employee's respective legal predecessors, successors, assigns, fiduciaries, heirs, parents, spouses, companies and affiliates (all referred to as the "Employee Releasees") hereby irrevocably and unconditionally releases, and fully and forever discharges and absolves Company, its parents, subsidiaries and affiliates ("Advantage Companies") and each of their respective partners, officers, directors, managers, shareholders, members, agents, employees, heirs, divisions, attorneys, trustees, administrators, executors, representatives, predecessors, successors, assigns, related organizations and related employee benefit plans (collectively, the "Company Releasees"), of, from and for any and all claims, rights, causes of action, demands, damages, rights, remedies and liabilities of whatsoever kind or character, in law or equity, known or unknown, suspected or unsuspected, past, present, or future, that the Employee Releasees have ever had, may now have, or may later assert against the Company Releasees whether or not arising out of or related to Employee's employment with Company or the termination of Employee's employment by Company (hereinafter referred to as

"Employee's Released Claims"), from the beginning of time up to and including the Effective Date, including without limitation, any claims, debts, obligations, and causes of action of any kind arising under any (i) contract including but not limited to the Employment Agreement and any bonus or other compensation plan, (ii) any common law (including but not limited to any tort claims) or (iii) any federal, state or local statutory law including, without limitation, any law which prohibits discrimination or harassment on the basis of sex, race, national origin, veteran status, age, immigration or marital status, sexual orientation, disability, or on any other basis, including without limitation, those arising under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Older Workers' Benefit Protection Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act, any state or local wage and hour laws (to the fullest extent permitted by law), and/or any state or local laws which prohibit discrimination or harassment of any kind, including, without limitation, the California Family Rights Act and the California Fair Employment and Housing Act.

Employee represents and warrants that Employee has brought no complaint, claim, charge, action or proceeding against any of the Advantage Companies in any jurisdiction or forum, nor will Employee, from the Effective Date forward, encourage any other person or persons in doing so. Employee covenants and agrees never to pursue any judicial proceedings against the Company Releasees asserting any of the Employee's Released Claims and (notwithstanding the above representation and warranty) to dismiss forthwith any such proceedings initiated to date. Employee shall not bring any complaint, claim, charge, action or proceeding to challenge the validity of this Agreement or encourage any other person or persons in doing so. Notwithstanding the foregoing, nothing herein shall prevent Employee from filing or from cooperating in any charge filed with a governmental agency; provided, however, Employee acknowledges and agrees that Employee waiving the right to any monetary recovery should any agency (such as the Equal Opportunity Commission or any similar state or local agency) pursue any claim for Employee's benefit. Further, nothing herein shall prevent Employee from challenging the validity of the release of Employee's claims, if any, under the Age Discrimination in Employment Act.

Except with respect to a breach of obligations arising out of this Agreement, if any, and to the fullest extent permitted by law, execution of this Agreement by the parties operates as a complete bar and defense against any and all of Employee's Released Claims.

Section 3.1 does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to report possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation and any right to receive an award for information provided thereunder. Nothing in Section 3.1 waives (i) Executive's rights to indemnification or any payments under any fiduciary insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance, or any other indemnification rights to which Executive may be entitled under the organizational documents, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify Executive or hold Executive harmless; (ii) any vested rights Executive (and/or his dependents) may have under the employee benefit plans, programs, policies or arrangements of the Company and its affiliates; (iii) claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law; (iv) claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended; (v) claims for breach of any of the Company's continuing obligations to Executive under the Employment Agreement; and (vi) any right that may not be waived by private agreement.

4. Waiver of Unknown Claims. Employee expressly acknowledges that Employee has read

and understood the following language contained in Section 1542 of the California Civil Code:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER THAT WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

But for the obligations arising from this Agreement, having reviewed this provision, Employee nevertheless hereby voluntarily waives and relinquishes any and all rights or benefits Employee may have under section 1542, or any other statutory or non-statutory law of similar effect. Thus, Employee expressly acknowledges this Agreement is intended to and does include in its effect, without limitation, all claims Employee does not know or suspect to exist in Employee's favor at the time of signing this Agreement, and that this Agreement extinguishes any such claims. Employee warrants that Employee has consulted counsel and/or has had the opportunity to consult with counsel about this Agreement and specifically about the waiver of section 1542 (or other state law of similar effect) and that Employee understands the section 1542 (or other state law of similar effect) waiver and freely and knowingly enters into this Agreement. Employee acknowledges that Employee may later discover facts different from or in addition to those Employee now knows or believes to be true regarding the matters released or described in this Agreement, and even so, Employee agrees that the releases contained in this Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts.

5. No Admissions. By signing this Agreement, the Company does not admit to any wrongdoing or legal violation by the Company or the Company Releasees.

6. Cooperation. Employee hereby agrees to cooperate with and provide requested assistance to Company with respect to any claim, cause of action, litigation, or other matter involving the Company, in which: (a) Employee (i) has significant knowledge, or (ii) was intimately involved, during the course of Employee's employment, and (b) such requested assistance and/or cooperation is reasonably necessary and appropriate. For the avoidance of doubt, nothing in this Section 6 is intended to require Employee to provide anything but truthful and accurate information or testimony in the event Employee is asked for information or called to testify.

7. Return of Information and Property. Employee represents that as of the date of

Employee's execution of this Agreement, Employee has returned to the Company, all Company property, equipment, confidential information, records, electronically stored data and other materials relating to Employee's employment, including tools, documents, papers, computer software, passwords and other identification materials, ID cards, keys, credit cards, personal computers, tablets, cell phones, and/or instruction manuals. This obligation applies to all materials relating to the affairs of the Company or any of its customers, clients, vendors, employees, or agents that may be in Employee's possession or control. All such Company property must be returned by Employee in order for Employee to commence receiving the Severance Pay and Severance Benefits provided under Section 2 hereof.

8. Compliance with Prior Restrictive Covenants. Employee hereby reaffirms Employee's obligations under the Restrictive Covenants.

9. Breach.

Employee acknowledges that Employee's breach of the obligations contained in this Agreement would cause the Company irreparable harm that could not be reasonably or adequately compensated in damages in an action at law. If Employee breaches or threatens to breach any of the provisions contained in this Agreement, the Company shall be entitled to an injunction, without

bond,

restraining Employee from committing such breach. The Company's right to exercise its option to obtain an injunction shall not limit its right to any other remedies for breach of any provision of this Agreement.

Employee agrees that Employee's obligations under this Agreement shall be absolute and unconditional.

The foregoing shall in no way limit the Company's rights under Section 2.4 of this Agreement:

(a)Employee acknowledges that Employee's breach of the obligations contained in this Agreement would cause the Company irreparable harm that could not be reasonably or adequately compensated in damages in an action at law. If Employee breaches or threatens to breach any of the provisions contained in this Agreement, the Company shall be entitled to an injunction, without bond, restraining Employee from committing such breach. The Company's right to exercise its option to obtain an injunction shall not limit its right to any other remedies for breach of any provision of this Agreement.

(b)Employee agrees that Employee's obligations under this Agreement shall be absolute and unconditional.

(c)The foregoing shall in no way limit the Company's rights under Section 2.4 of this Agreement.

10. Employee Representations. Employee represents and agrees that Employee (a) has suffered no injuries or damages in the course and scope of Employee's employment with the Company that Employee did not already report to the Company; (b) fully understands all terms of this Agreement and is signing it voluntarily and with full knowledge of its significance; and (c) is not relying and has not relied upon any representation or statement made by the Company or its agents, representatives or attorneys, with regard to the subject matter, basis or effect of this Agreement or otherwise, other than as specifically stated in this Agreement.

11. Notice. All notices or other communications hereunder shall be in writing and shall be deemed to have been duly given (a) by hand (with written confirmation of receipt), (b) by registered mail, return receipt requested, or (c) by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate address set forth below (or to such other address as a party may designate by notice given in accordance herewith).

For notices and communications to the Company, to the address of the Company's principal executive office and to the attention of the Company's General Counsel.

For notices and communications to the Executive, to the Executive's most recent address or e-mail address on file with the Company. Any party hereto may, by notice to the other, change its address for receipt of notices hereunder.

12. No Modification. No modification to any term or provision contained in this Agreement shall be binding upon any party unless made in writing and signed by both parties.

13. Severability. If any provision of this Agreement is held to be unenforceable for any reason, all of the remaining parts of the Agreement shall remain in full force and effect.

14. No Assignment. Employee has not assigned any portion of the Employee's Released Claims to any third party.

15. Governing Law; Arbitration. This Release shall be subject to the provisions of Section 13.1 of the Employment Agreement.

16. Integration. This Agreement contains the entire agreement between the parties hereto and, except as expressly referenced herein, supersedes any and all prior agreements, arrangements, negotiations, discussions or understandings between or among the parties hereto relating to the subject matter hereof. No oral understanding, statements, representations, promises or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed, in whole or in part, or terminated unless in writing signed by the parties to this Agreement. Other than these exceptions noted herein and the provisions of the Employment Agreement which survive termination by their express terms (including without limitation Section 12 and the Restrictive Covenants), Employee understands that all prior agreements between Employee and the Company are terminated and that neither Employee nor the Company has any continuing rights or obligations under any such agreement(s).

17. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered to have the force and effect of an original. Any counterpart signature transmitted by facsimile or by sending a scanned copy by email or similar electronic transmission shall be deemed an original signature.

18. Successors and Assigns. This Agreement shall bind and shall inure to the benefit of the successors and assigns of each party. With respect to Employee, this Agreement shall also bind and inure to the benefit of Employee's heirs and assigns.

19. Delivery by Facsimile or Email. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or email with scan or facsimile attachment or electronic signature tool such as DocuSign, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto shall re-execute original forms thereof and deliver them to all other parties (with any costs associated with such request and delivery to be assumed by the requesting party). No party hereto shall raise the use of a facsimile machine or email or electronic signature tool such as DocuSign to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or email or electronic signature tool such as DocuSign as a defense to the formation or enforceability of a contract, and each such party forever waives any such defense.

20. ADEA Provisions and Notification. In compliance with the requirements of the Age Discrimination in Employment Act (ADEA), as amended by the Older Workers' Benefit Protection Act of 1990, Employee acknowledges by Employee's signature below that, with respect to the rights and claims waived and released herein under the ADEA, Employee has read and understands this Agreement and specifically understands the following:

20.1 That Employee is advised to consult with an attorney before signing this Agreement;

20.2 That Employee is releasing the Company Releasees from, among other things, any claims which Employee might have against any of them pursuant to the ADEA as amended;

20.3 That the releases contained in this Agreement do not cover any rights or claims that may arise after the date on which Employee executed this Agreement;

20.4 That Employee has been given a period of twenty-one (21) days in which to consider this Agreement but if Employee elects to forego any portion of the twenty-one day period Employee understands and agrees that Employee does so voluntarily and is waiving the balance

of the twenty-one day period; and

20.5 That Employee may revoke this Agreement during the seven (7) day period following the date of Employee's execution of this Agreement by giving written notice of said revocation in accordance with the notice provision of this Agreement, and that this Agreement will not become binding and effective until the seven (7) day revocation period has expired.

Dated: __, 20__ By: __

Name: Jack Pestello

Advantage Solutions Inc.

Dated: __, 20__ By: __

Name: __

Title: __

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “Agreement”), dated as of October 18, 2017 (the “Effective Date”), is by and between Daymon Worldwide Inc., a Delaware corporation (the “Company”), and MICHAEL TAYLOR (the “Executive”).

WHEREAS, the Company desires to employ the Executive as the PRESIDENT, BRAND DEVELOPMENT GROUP, of the Company; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to formalize the terms of the Executive’s employment terms, severance benefits and compensation.

NOW, THEREFORE, for and in consideration of the promises, representations, and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive agree as follows:

1. Employment. The Executive’s employment with the Company shall be at will. Nothing in this Agreement interferes with or limits in any way the Company’s or the Executive’s right to terminate his employment at any time, for any reason or no reason, with or without notice, and nothing in this Agreement confers on the Executive any right or obligation to continue in the Company’s employ. The Executive shall devote his full business time and attention to the business and affairs of the Company and its affiliates.

2. Annual Compensation.

(a) Salary. The Company shall pay the Executive a base salary at the annual rate of \$421,000.00, subject to annual review and recommendation by the Company (the “Board”) for possible increases as determined by the Board (said amount, together with any increases hereunder, the “Base Salary”). The Executive’s Base Salary may not be decreased below an annual rate of \$421,000. Any Base Salary payable hereunder shall be paid in regular intervals in accordance with the Company’s usual and customary payroll practices for its employees.

(b) Bonus. The Executive shall participate in the Company’s annual bonus plan for senior executives (the “AIP”) and shall be eligible to receive an annual discretionary bonus determined by the Leadership Development and Compensation Committee of the Board (the “Committee”) and based on the Company’s performance compared to pre-established financial goals established by the Committee and individual performance (a “Bonus”). The Executive’s target Bonus (the “Target Bonus”) shall be 100% of his base salary. The Bonus, if any, will be paid, no later than March 15 of the year following the year with respect to which it is earned, subject to the Executive’s continued employment on the payment date.

(c) Equity. The Executive shall be eligible to participate in the equity incentive plan adopted by the Company or its affiliates, the terms of which will be detailed and

summarized in a separate document. The level of the Executive's participation in such plan shall be determined by the Committee.

3. Employee Benefits.

(a) During the term of employment, the Executive shall be eligible to participate in the medical and health plans or other employee welfare benefit plans, fringe benefit and pension and/or profit sharing plans that may be provided by the Company for its senior executive officers in accordance with the provisions and eligibility requirements of any such plans, as the same may be in effect and amended from time to time, except to the extent such plans are duplicative of the benefits otherwise provided hereunder. The Executive's participation will be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time.

(b) During the term of employment, the Executive shall be, upon presentation of reasonable substantiation and documentation, entitled to reimbursement for all reasonable and necessary out-of-pocket business expenses incurred by the Executive in the performance of his duties in accordance with the Company's expense reimbursement policies as may be in effect and amended from time to time.

4. Confidentiality Agreement; Non-Disparagement.

(a) The Executive acknowledges and agrees that the previously executed the Non- Competition, Non-Solicitation, Confidentiality and Intellectual Property Agreement (the "Confidentiality Agreement"), is incorporated in its entirety into this Agreement by reference.

(b) During his employment with the Company and its affiliates and at any time thereafter, (i) the Executive agrees not to make negative comments or otherwise disparage or encourage or induce others to disparage the Company, its affiliates or any of their respective past and present, officers, directors, employees, products or services (the "Company Parties") and (ii) the Company agrees it shall instruct the members of the Board and its executive officers not to disparage or encourage or induce others to disparage the Executive while such Board members and executive officers are employed by, or providing services to, the Company. For purposes of this Section 4(b), the term "disparage" includes, without limitation, comments or statements to the press, to the Company's or any affiliate's employees or to any individual or entity with whom the Company or any affiliate has a business relationship (including, without limitation, any vendor, supplier, customer or distributor), or any public statement, that in each case is intended to, or can be reasonably expected to, materially damage any of the Company Parties or the Executive. Notwithstanding the foregoing, nothing in this Section 4(b) shall prevent the members of the Board, the Company's executive officers or the Executive from making any truthful statement to the extent (i) necessary with respect to any litigation, arbitration or mediation involving this Agreement,

including, but not limited to, the enforcement of this Agreement, in the forum in which such litigation, arbitration or mediation properly takes place, (ii) required by law, legal process or by any court, arbitrator, mediator or administrative or legislative body (including any committee thereof) with apparent jurisdiction over the Executive or the Company, or (iii) as necessary or appropriate to discharge their duties to their Company.

5. Termination.

(a) Accrued Benefits. Except with respect to the language of Section 5(b) herein, if the Executive's employment ceases for any or no reason, the Executive will be entitled to receive: (i) any unpaid Base Salary through the date of termination, (ii) any Bonus earned with respect to a completed fiscal year ending on or preceding the date of such termination but unpaid as of such date, payable at the same time as such payment would be made if the Executive had continued to be employed by the Company, (iii) accrued but unused paid time off through and including the date of termination of his employment, to be paid in accordance with the Company's regular payroll practices and with applicable law but no later than the next regularly scheduled pay period, (iv) unreimbursed expenses accrued through the termination date, and (v) any vested amounts or benefits to which he is then entitled under the terms of the benefit plans sponsored by the Company in which he participated as of the date of termination (collectively, the "Accrued Benefits").

(b) Termination Without Cause or With Good Reason. If the Company terminates the Executive's employment without Cause (defined below) or the Executive terminates employment with Good Reason, subject to the Executive's compliance with the restrictive covenants set forth in Section 4, in addition to the Accrued Benefits, the Executive shall be entitled to receive:

(i) Salary Continuation for a period of nine (9) months following such termination payable in accordance with the Company's payroll practices; provided that to the extent that the payment of any amount constitutes "nonqualified deferred compensation" for purposes of Code Section 409A (as defined in Section 18 hereof), any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto. For the purposes of this Agreement, "Salary Continuation" includes the Executive's base salary plus the Executive's full Annual Incentive Plan target at 100% of his base salary ("AIP");

(ii) Prorated AIP for the current performance year based on actual results for such year (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Executive is employed by the Company and the denominator of which is 365) payable

at the same time bonuses for such year are paid to other senior executives of the Company (the “Pro Rata Bonus”);

- (iii) Outplacement assistance, per the Company’s policy in effect on the date of termination; and
- (iv) Subject to: (A) the Executive’s timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), (B) the Executive’s continued copayment of premiums at the same level and cost to the Executive as if the Executive were an employee of the Company (excluding, for purposes of calculating cost, an employee’s ability to pay premiums with pre-tax dollars), and (C) the Executive’s continued compliance with the restrictive covenant obligations in Section 4 hereof, continued participation in the Company’s group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Executive (and the Executive’s eligible dependents) for a period of nine (9) months, provided that the Executive is eligible and remains eligible for COBRA coverage; provided, further, that the Company may modify the continuation coverage contemplated by this Section 5(b)(iv) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (collectively, the “ACA”) (to the extent applicable) or any other applicable law; and provided, further, that in the event that the Executive obtains other employment that offers group health benefits, such continuation of coverage by the Company under this Section 5(b)(iv) shall immediately cease.

Notwithstanding the foregoing, the payments and benefits described in Section 5(b) shall immediately terminate, and the Company shall have no further obligations to the Executive with respect thereto, in the event that the Executive breaches any of the restrictive covenants set forth in Section 4.

- (c) Termination for Cause, death or Disability; Voluntary Resignation Without Good Reason. If the Company terminates the Executive’s employment for Cause, due to the Executive’s death or Disability, or if the Executive resigns from his employment other than for Good Reason, the Executive will be entitled to the Accrued Benefits (excluding, on a termination by the Company for Cause or a termination by the Executive without Good Reason, clause (ii) of Section 5(a)), unless applicable law otherwise requires payment. In addition, if the Company terminates the Executive’s employment due to death or Disability, the Executive shall be eligible to receive a Pro Rata Bonus, payable in accordance with Section 5(b)(ii) hereof. The Executive will have no further right to receive any other compensation or benefits after such termination, resignation or non-renewal of employment.

(d) Change in Control. In the event of a Change in Control, if, within twelve (12) months of the Change in Control, the Company or successor company terminates the Executive's employment without Cause or the Executive terminates employment with Good Reason, subject to the Executive's compliance with the restrictive covenants set forth in Section 4, in addition to the Accrued Benefits, the Executive shall be entitled to receive:

- (i) Salary Continuation for a period of twelve (12) months following such termination payable in accordance with the Company's payroll practices; provided that to the extent that the payment of any amount constitutes "nonqualified deferred compensation" for purposes of Code Section 409A (as defined in Section 18 hereof), any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such termination and shall include payment of any amount that was otherwise scheduled to be paid prior thereto;
- (ii) the Pro Rata Bonus;
- (iii) Outplacement assistance, per the Company's policy in effect on the date of termination; and
- (iv) Subject to (A) the Executive's timely election of continuation coverage under COBRA, (B) the Executive's continued copayment of premiums at the same level and cost to the Executive as if the Executive were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), and (C) the Executive's continued compliance with the restrictive covenant obligations in Section 4 hereof, continued participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Executive (and the Executive's eligible dependents) for a period of twelve (12) months, provided that the Executive is eligible and remains eligible for COBRA coverage; provided, further, that the Company may modify the continuation coverage contemplated by this Section 5(b)(iv) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of ACA (to the extent applicable) or any other applicable law; and provided, further, that in the event that the Executive obtains other employment that offers group health benefits, such continuation of coverage by the Company under this Section 5(b)(iv) shall immediately cease.

Notwithstanding the foregoing, the payments and benefits described in Section 5(b) shall immediately terminate, and the Company shall have no further obligations to the Executive with respect thereto, in the event that the Executive breaches any of the restrictive covenants set forth in Section 4.

(e) Release. Any compensation or benefits due to the Executive under Section 5 (other than the Accrued Benefits), shall only be paid if the Executive delivers to the Company an executed general release of claims in a form satisfactory to the Company, which release must become irrevocable within sixty (60) days following the date of the Executive's termination of employment. Compensation and benefits under Section 5 will be paid or commence to be paid on the first regularly scheduled payroll date following the sixtieth (60th) day after the Executive's termination of employment and shall include payment of any amounts that would otherwise be due prior thereto, subject to any delays required pursuant to Section 18. In addition, continued receipt of the compensation and benefits provided pursuant to Section 5 is conditioned on the Executive's continued compliance with the restrictive covenant obligations set forth in Section 4 hereof.

(f) Definitions.

(i) For purposes of this Agreement, "Cause" means any of the following: the Executive's (A) failure to substantially perform the Executive's duties or to follow the lawful directives of the Committee or the Board (other than as a result of death or Disability) that continues after written notice from the Company requesting such performance; (B) misconduct or gross negligence by the Executive in the performance of his duties; (C) indictment for, conviction of, or plea of guilty or no contest to, (i) a felony or (ii) a crime or a misdemeanor involving moral turpitude that, in each case, in the sole discretion of the Board has an adverse effect on the Executive's qualifications, ability to perform his duties or the reputation of the Company; (D) the Executive's performance of any act of theft, embezzlement, fraud, malfeasance, dishonesty or misappropriation of the Company's property; (E) the Executive's failure to cooperate in any audit or investigation of the business or financial practices of the Company or any of its subsidiaries; or (F) breach of the Confidentiality Agreement, Section 4 hereof or a violation of the Company's code of conduct or other material written Company policy.

(ii) For purposes of this Agreement, "Disability" means the Executive has become physically or mentally incapacitated so as to render his incapable of performing his usual and customary duties, with or without a reasonable accommodation, for one hundred eighty (180) or more days, whether or not consecutive, during any twelve (12) month period. The Executive is also Disabled if he is found to be disabled within the meaning of the Company's long-term disability insurance coverage as then in effect (or would be so found if he applied for the coverage or benefits).

(iii) For purposes of this Agreement, "Good Reason" means, the occurrence, without the Executive's prior written consent, of any of the following events: (A) any material adverse change in the Executive's authority, duties or responsibilities with the Company (other than temporarily while physically or mentally incapacitated or as required by applicable law); (B)

any reduction in the Executive's (I) Base Salary below \$421,000.00 per annum, or (II) Target Bonus below 100% of Base Salary; (C) relocation of the Executive's primary office location more than fifty (50) miles from its location on the Effective Date, if such relocation results in a material increase in commute for the Executive; or (D) any material breach of a material provision of this Agreement by the Company. No resignation will be treated as resignation for Good Reason unless (x) the Executive has given written notice to the Company of his intention to terminate his employment for Good Reason, describing the grounds for such action, no later than ninety (90) days after the first occurrence of such circumstances, (y) the Executive has provided the Company with at least thirty (30) days in which to cure the circumstances, and (z) if the Company is not successful in curing the circumstance alleged to constitute Good Reason, the Executive actually terminates his employment within thirty (30) days following the cure period in (y).

(iv) For purposes of this Agreement, a "Change in Control" means (i) any transaction or series of related transactions that result in any Person (as defined below) or group (within the meaning of Section 13(d) (3) of the Securities Exchange Act of 1934, as amended) acquiring equity securities of Daymon Eagle Holdings, L.P. ("Partnership") that represent more than fifty percent (50%) of the total voting power of the Partnership, or (ii) a sale or disposition of all or substantially all of the assets of the Partnership and its subsidiaries on a consolidated basis other than to an entity with respect to which, following such sale or other disposition, at least fifty percent (50%) of the combined voting power of the then outstanding voting securities of such entity is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities (or affiliates of such individuals and entities) who were the beneficial owners, respectively, of the equity securities immediately prior to such sale or other disposition; provided that, in the case of clause (i) above, such transaction shall only constitute a Change in Control if it results in the Sponsors (as defined below) ceasing to have the power (whether by ownership of voting securities, contractual right, or otherwise) collectively to elect a majority of the board of directors of the Company (or a successor thereto). For the avoidance of doubt, a Change in Control will not include either (A) the occurrence of an initial public offering pursuant to which or following which the Sponsors, individually or in the aggregate, cease to own or control at least fifty percent (50%) of the Partnership or (B) any Sponsor acquiring or increasing its control of the Partnership. For the purposes of this definition, "Sponsors" means, collectively: (a) BC Eagle Holding, L.P., and its affiliates, successors and assignees; and (b) Yonghui Investment Limited, and its affiliates, successors and assignees, "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(g) No Other Severance. The Executive hereby acknowledges and agrees that, other than the severance payments and benefits described in this Agreement, upon termination of employment the Executive shall not be entitled to any other severance payments or benefits under any Company benefit plan or severance policy generally available to the Company's employees or otherwise. provided, however, that the Executive shall be entitled to any applicable accelerated vesting, payments or other benefits provided for in the equity incentive plan adopted by the Company or any award agreement entered into under such equity incentive plan.

6. Non-Assignability. Neither this Agreement nor any right or interest hereunder shall be assignable by the Executive or his beneficiaries or legal representatives without the Company's prior written consent; provided, however, that nothing in this Section 6 shall preclude the Executive from designating a beneficiary to receive any benefit payable hereunder upon his death or incapacity. Neither this Agreement nor any right or interest hereunder shall be assignable by the Company or its successors without the Executive's prior written consent, provided however, that the Company may assign this Agreement (i) to an affiliate of the Company, provided that no such assignment shall relieve the Company of its obligations hereunder, or (ii) in the event of a Change of Control, in each case without the Executive's consent, and such an assignment will not terminate the Executive's employment for purposes of triggering the Executive's entitlement to severance. The Executive specifically agrees that any assignment by the Company that is permitted under this Section 6 may include rights under the Confidentiality Agreement without requiring the Executive's consent.

7. Binding Effect. Without limiting or diminishing the effect of the provisions affecting assignment of this Agreement, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, legal representatives and assigns.

8. Notices. All notices that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if given in writing and

(i) delivered personally, (ii) mailed by certified or registered mail, return receipt requested and postage prepaid, (iii) sent via a nationally recognized overnight courier or (iv) sent via facsimile confirmed in writing to the recipient, if to the Company at the Company's principal place of business, and if to the Executive, at his home address most recently filed with the Company, or to such other address or addresses as either party shall have designated in writing to the other party hereto; provided, however, that any notice sent by certified or registered mail shall be deemed delivered on the date of delivery as evidenced by the return receipt.

9. Governing Law; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law provisions thereof. In

the event that any dispute shall occur between the parties arising out of or resulting from the construction, interpretation, enforcement or any other aspect of this Agreement, the parties hereby agree to accept the exclusive jurisdiction of the Courts of the State of Delaware.

(b) EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT.

10. Severability. The Executive agrees that in the event that any court of competent jurisdiction shall finally hold that any provision of the Confidentiality Agreement is void, is excessive in duration or scope or constitutes an unreasonable restriction against the Executive, such provisions of the Confidentiality Agreement shall not be rendered void but shall apply with respect to such extent as such court may judicially determine constitutes a reasonable restriction under the circumstances. If any part of this Agreement is held by a court of competent jurisdiction to be invalid or incapable of being enforced in whole or in part by reason of any rule of law or public policy, such part shall be deemed to be severed from the remainder of this Agreement for the purpose only of the particular legal proceedings in question and all other covenants and provisions of this Agreement shall in every other respect continue in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity, legality or enforceability of the remainder of this Agreement in such jurisdiction or the validity, legality or enforceability of any provision of this Agreement in any other jurisdiction, it being intended that all rights and obligations of the parties hereunder shall be enforceable to the fullest extent permitted by applicable law.

11. Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

12. Arbitration. With the exception of any dispute regarding the Executive's compliance with the provisions of the Confidentiality Agreement as noted by reference in Section 4(a) hereof, any dispute relating to or arising out of the provisions of this Agreement shall be decided by arbitration in the New York metropolitan area, in accordance with the Expedited Arbitration Rules of the American Arbitration Association then obtaining, unless the parties mutually agree otherwise in a writing signed by both parties. This undertaking to arbitrate shall be specifically enforceable. The decision rendered by the arbitrator will be final and judgment may be entered upon it in accordance with appropriate laws in any court having jurisdiction thereof. Each of the parties shall pay its own legal fees associated with such arbitration; provided, however, if the Executive materially prevails in any arbitration the Company shall reimburse the Executive for all reasonable legal fees and expenses incurred in connection with such arbitration.

13. Entire Agreement; Modifications. This Agreement, together with the Confidentiality Agreement, constitute the entire and final expression of the agreement of the parties with respect to the subject matter hereof and supersede all prior agreements, oral and written, between the parties hereto with respect to the subject matter hereof, including, without limitation, the Prior Agreements. This Agreement may be modified or amended only by an instrument in writing signed by both parties hereto.

14. Survival of Provisions. The obligations contained in Section 4 hereof shall survive the termination of the Executive's employment with the Company and shall be fully enforceable thereafter.

15. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. Whistleblower Protection. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall be interpreted so as to impede the Executive (or any other individual) from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures under the whistleblower provisions of federal law or regulation. The Executive does not need the prior authorization of the Company to make any such reports or disclosures and the Executive shall not be required to notify the Company that such reports or disclosures have been made.

17. Trade Secrets. 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (x) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Accordingly, the parties to this Agreement have the right to disclose in confidence trade secrets to Federal, State, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. The parties also have the right to disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b).

18. Effect of Section 409A of the Code.

(a) If and to the extent any portion of any payment, compensation or other benefit provided to the Executive in connection with his employment termination is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, "Section 409A") and he is a specified employee as defined in Section 409A(a)(2)(B), as determined by the

Company in accordance with its procedures, by which determination he hereby agrees that he is bound, such portion of the payment, compensation or other benefit shall not be paid before the earlier of (i) the expiration of the six month period measured from the date of his "separation from service" (as determined under Section 409A) or (ii) the date of his death (the "New Payment Date"). The aggregate of any payments that otherwise would have been paid to him during the period between the date of separation from service and the New Payment Date shall be paid to him in a lump sum in the first payroll period beginning after such New Payment Date, and any remaining payments will be paid on their original schedule.

(b) This Agreement is intended to comply with the provisions of Section 409A and this Agreement shall, to the extent practicable, be construed in accordance therewith. Terms defined in this Agreement will have the meanings given such terms under Section 409A if and to the extent required to comply with Section 409A. To the extent that any provision hereof is modified in order to comply with Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the Executive and the Company of the applicable provision without violating the provisions of Section 409A. In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on the Executive under Section 409A or any damages for failing to comply with Section 409A.

(c) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits considered "nonqualified deferred compensation" under Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(d) To the extent that reimbursements or other in-kind benefits under this Agreement constitute "nonqualified deferred compensation" for purposes of Code Section 409A, (i) all expenses or other reimbursements hereunder shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive, (ii) any right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) no such reimbursement, expenses eligible for reimbursement, or in-kind benefits provided in any taxable year shall in any way affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year.

(e) For purposes of Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date

of payment within the specified period shall be within the sole discretion of the Company.

19. Withholding. The Company shall be entitled to withhold from any amounts to be paid or benefits provided to the Executive hereunder any federal, state, local or foreign withholding, FICA contributions, or other taxes, charges or deductions which it is from time to time required to withhold. The Company shall be entitled to rely on an opinion of counsel if any question as to the amount or requirement of any such withholding shall arise.

20. Compliance with Dodd-Frank. All payments under this Agreement, if and to the extent subject to the Dodd-Frank Wall Street Reform and Consumer Protection Act, shall be subject to any incentive compensation policy established from time to time by the Company to comply with such Act.

21. Section Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof, affect the meaning or interpretation of this Agreement or of any term or provision hereof. In the event of any inconsistency between the terms of this Agreement and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

22. Entire Agreement. This Agreement, together with the Confidentiality Agreement and any exhibits attached hereto, constitutes the entire understanding and agreement of the parties hereto regarding the employment of the Executive and terminates and supersedes any and all prior agreements, understandings and representations, whether written or oral, by or between the parties hereto or their Affiliates which may have related to the subject matter hereof in any way, including, without limitation, any other existing employment agreement or change of control agreement, which is hereby terminated and cancelled and of no further force or effect as of the date hereof, without the payment of any additional consideration by or to either of the parties hereto.

23. Counterparts; Facsimiles and Faxes. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimiles and electronic scans containing original signatures shall be deemed for all purposes to be originally signed copies of the documents which are the subject of such facsimiles or scans.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Company and the Executive have duly executed and delivered this Agreement as of the date or dates indicated below.

AGREED AND DAYMON WORLDWIDE
ACCEPTED: INC.

/s/ Michael Taylor /s/ James Holbrook
Name: Michael Taylor Name: James Holbrook
Date: 10/25/2017 Title: Chief Executive Officer
Date: 10/26/2017

ADVANTAGE SOLUTIONS INC.
NON-EMPLOYEE DIRECTOR COMPENSATION POLICY FEBRUARY 27, 2024

Non-employee members of the board of directors (the “**Board**”) of Advantage Solutions Inc. (the “**Company**”), other than those members listed on Exhibit A, shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Policy, as amended by the Board from time to time (this “**Policy**”). The cash and equity compensation described in this Policy shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (unless such member is listed on Exhibit A) (each, a “**Non-Employee Director**”) who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Policy, including any amendment hereto shall become effective on the date (the “**Effective Date**”) of its adoption or amendment by the Board and shall remain in effect until it is revised or rescinded by further action of the Board. This Policy, including without limitation Exhibit A, may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Policy shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors and between any subsidiary of the Company and any of its non-employee directors.

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall receive an annual retainer of \$100,000 for service on the Board.

(b) Additional Annual Retainers. In addition, a Non-Employee Director shall receive the following annual retainers:

(i) Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of \$20,000 for such service.

(ii) Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of \$17,500 for such service.

(iii) Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of \$17,500 for such service.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, such Non-Employee Director shall receive a prorated portion of the retainer(s) otherwise payable to such Non-Employee Director for such calendar quarter pursuant to Sections 1(a) and 1(b), with such prorated portion determined by multiplying such otherwise payable retainer(s) by a fraction, the numerator of which is the number of days during which the Non-Employee Director serves as a Non-Employee Director or in the applicable positions described in Section 1(b) during the applicable calendar quarter and the denominator of which is the number of days in the applicable calendar quarter.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company’s 2020 Incentive Award Plan or any other applicable Company equity incentive

plan then-maintained by the Company (such plan, as may be amended from time to time, the “**Equity Plan**”) and shall be granted subject to the execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Policy as if fully set forth herein, and all equity grants hereunder are subject in all respects to the terms of the Equity Plan.

(a) **Annual Awards.** Each Non-Employee Director who (i) serves on the Board as of the date of any annual meeting of the Company’s stockholders (an “**Annual Meeting**”) after the Effective Date and (ii) will continue to serve as a Non-Employee Director immediately following such Annual Meeting shall be automatically granted, on the date of such Annual Meeting, an award of restricted stock units that have an aggregate fair value on the date of grant of \$175,000 (as determined in accordance with ASC 718 and subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(a) shall be referred to as the “**Annual Awards**.” For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an Annual Meeting shall receive only an Annual Award in connection with such election, and shall not receive any Initial Award on the date of such Annual Meeting as well.

(b) **Initial Awards.** Except as otherwise determined by the Board or as waived by a member, each Non-Employee Director who is initially elected or appointed to the Board on or after October 28, 2020 or on any date other than the date of an Annual Meeting shall be automatically granted, on the date of such Non-Employee Director’s initial election or appointment (such Non-Employee Director’s “**Start Date**”), an award of restricted stock units that have an aggregate fair value on such Non-Employee Director’s Start Date equal to the product of (i) \$175,000 (as determined in accordance with ASC 718) and

(ii) a fraction, the numerator of which is (x) 365 minus (y) the number of days in the period beginning on the date of the Annual Meeting immediately preceding such Non-Employee Director's Start Date (or, in the case of the initial grant occurring in the months immediately following October 28, 2020 the number of days shall equal 216 (representing the period from October 28 to June 1 in a calendar year)) and ending on such Non-Employee Director's Start Date and the denominator of which is 365 (with the number of shares of common stock underlying each such award subject to adjustment as provided in the Equity Plan). The awards described in this Section 2(b) shall be referred to as "***Initial Awards.***" For the avoidance of doubt, no Non-Employee Director shall be granted more than one Initial Award.

(c) Termination of Employment of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their employment with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section 2(b) above, but to the extent that they are otherwise eligible, will be eligible to receive, after termination from employment with the Company and any parent or subsidiary of the Company, Annual Awards as described in Section 2(a) above.

(d) Vesting of Awards Granted to Non-Employee Directors. Each Annual Award and Initial Award shall vest on the earlier of (i) the day immediately preceding the date of the first Annual Meeting following the date of grant and (ii) the first anniversary of the date of grant, subject to the Non-Employee Director continuing in service on the Board through the applicable vesting date. No portion of an Annual Award or Initial Award that is unvested at the time of a Non-Employee Director's termination of service on the Board shall become vested thereafter. All of a Non-Employee Director's Annual Awards and Initial Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

<u>Name</u>	<u>Subsidiaries of the Registrant</u>	
	<u>Jurisdiction of Incorporation or Organization</u>	<u>Doing business as</u>
Advantage AMP LLC	Delaware	AMP Agency Advantage Media
Advantage Sales & Marketing Inc.	Delaware	ASM Inc. Advantage Sales & Marketing AZ Inc.
Advantage Sales & Marketing LLC	California	Adludent Advanced Marketing & Sales Advantage CMN LLC Advantage Digital Commerce Advantage Fulfillment Services Advantage Integrated Connections Advantage Intelligence Advantage Longhorn Advantage Marketing Partners Advantage Media Advantage Program Advantage Sabala Advantage Sales Advantage Sales AK Advantage Sales-ASM Advantage Sales IL Advantage Sales IN Advantage Sales KY Advantage Sales ME Advantage Sales MI Advantage Sales OR Advantage Sales PA Advantage Sales RI Advantage Sales VT Advantage Sales WY Advantage Sales & Marketing New Jersey Advantage Sales & Marketing Wyoming Advantage Supply Chain Advantage Solutions Advantage Solutions AZ Advantage Solutions Georgia Advantage Solutions Illinois Advantage Solutions MN Advantage Sales NE Advantage Solutions NC Advantage Solutions ND Advantage Solutions Ohio Advantage Solutions PA Advantage Solutions TN Advantage Solutions Wyoming Advantage Unified Commerce AMP Agency ASM Home Center Hardware Division ASM Home Center/Hardware Division Beekeeper Marketing BEM BEM Sales & Marketing Blue Ocean Innovative Solutions Brand Connections Edge Marketing

eShopportunity
 Focus Sales
 Fresh Solutions of Texas
 FreshSpace
 G & G Marketing
 Hatch Design
 IBC
 IN Connected Marketing
 IN Marketing Services
 Integrated Marketing Services
 Interactions
 J.L. Buchanan
 Marathon Global
 Perimeter Marketing
 PromoPoint Marketing
 Resource Marketing
 Resources Marketing
 Sage Tree
 SmallTalk AI
 SmallTalk Group
 SMART
 Storeboard Media
 Strong Analytics
 Sunflower
 THE SMART TEAM
 The Sunflower Group
 U.S. Advantage Sales & Marketing, LLC

Advantage Solutions Inc.

Canada

Advantage Solutions Canada Inc.
 Advantage Sales and Marketing Canada
 ASM Canada IBC
 ASM Canada Sales and Logistics Solutions
 ASM Canada-The Linkage Group Merchandising
 Edge Marketing
 IBC
 IBC Confectionary
 International Biscuits and Confections
 Integrated Marketing Services Canada
 Lucas Enterprises
 Prestige
 Priority Brands
 Sales and Logistics Solutions
 The Linkage Group
 The Linkage Group - Sales & Marketing
 The North 51st Group
 CBI
 Le Groupe Linkage
 Les Solutions Avantage
 Groupe North 51st
 Service d'alimentation Waypoint
 Marketing Intefre Canada
 Point de cheminement Canada
 Services Marketing Integre Canada
 Ventes Et Marketing Avantage Canada

ASI Intermediate Corp.

Delaware

Daymon Eagle Holdings, LLC

Delaware

Daymon Worldwide Canada Inc.	Delaware	Club Demonstration Services Interactions Consumer Experience Marketing
Daymon Worldwide Inc.	Delaware	Daymon Daymon Private Brand Development Daymon Private Brand Management FDM Business Development RIVIR
Club Demonstration Services, Inc	Connecticut	CDS
IDR Marketing Partners, LLC	Pennsylvania	Brandshare
Interactions Consumer Experience Marketing Inc.	Delaware	Interactions One to One Interactions Advantage AllAccess
Jun Group Productions, LLC	Delaware	
Karman Intermediate Corp.	Delaware	
R Squared Solutions LLC	Delaware	
SAS Retail Services, LLC	Delaware	SAS Retail Merchandising

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-250201 and 333-254716) and Form S-8 (Nos. 333-251882 and 333-271804) of Advantage Solutions Inc. of our report dated March 1, 2024 relating to the financial statements, the financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Irvine, California
March 1, 2024

CERTIFICATIONS

I, David Peacock, certify that:

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

March 1, 2024

By: /s/ David Peacock

David Peacock
Chief Executive Officer
(*Principal Executive Officer*)

CERTIFICATIONS

I, Christopher Grawe, certify that:

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

March 1, 2024

By: /s/ Christopher Grawe

Christopher Grawe
Chief Financial Officer
(*Principal Financial Officer*)

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

In connection with the Annual Report of Advantage Solutions Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, David Peacock, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §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; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

March 1, 2024

By: /s/ David Peacock

David Peacock
Chief Executive Officer
(*Principal Executive Officer*)

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

In connection with the Annual Report of Advantage Solutions Inc. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "Report"), I, Christopher Growe, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §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; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

March 1, 2024

By: /s/ Christopher Growe

Christopher Growe
Chief Financial Officer
(*Principal Financial Officer*)

ADVANTAGE SOLUTIONS INC.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Advantage Solutions Inc. (the "**Company**") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "**Policy**"), effective October 2, 2023 (the "**Effective Date**"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to current and former Covered Executives. Any application of this Policy to a Covered Executive that is not an Officer shall apply in the manner determined by the Committee in its sole discretion.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Covered Executive engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset

of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements (including the Prior Policy (as defined below)), the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "Board") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan,

equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "**Recovery Arrangements**"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

Notwithstanding the preceding paragraph of this Section 8, from and after the Effective Date, this Policy shall supersede and replace the Company's Recoupment Policy, originally adopted by the Company on February 23, 2022 (the "**Prior Policy**") with respect to Erroneously Awarded Compensation received by a current or former Covered Executive from and after the Effective Date; provided that the Prior Policy shall continue to apply with respect to compensation received prior to the Effective Date by any Covered Executives in accordance with its terms and conditions to the extent such compensation is not Erroneously Awarded Compensation subject to this Policy. For the avoidance of doubt, the Prior Policy is hereby amended to be consistent with this paragraph.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. Definitions

"Applicable Rules" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"Committee" committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"Covered Executive" means (i) each officer and (ii) each other individual serving as a senior executive of the Company directly reporting to the Chief Executive Officer of the Company and identified by the Committee as subject to this Policy.

"Erroneously Awarded Compensation" means the amount of Incentive-Based Compensation received by a current or former Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Covered Executive based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Financial Reporting Measure" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements and any measures derived wholly or in part from such measures, including GAAP, IFRS and non- GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

"GAAP" means United States generally accepted accounting principles.

"IFRS" means international financial reporting standards as adopted by the International Accounting Standards Board.

"Impracticable" means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"Incentive-Based Compensation" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as a Covered Executive; (b) who served as a Covered Executive at any time during the performance period for that compensation; (c) while the Company has a class of securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"Officer" serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"Restatement" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"Three-Year Period" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

