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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **February 5, 2021**

Whole Earth Brands, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-38880	38-4101973
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

125 S. Wacker Drive
Suite 3150
Chicago, IL 60606
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(312) 840-6000**
Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☒

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

EXPLANATORY NOTE

On February 8, 2021, Whole Earth Brands, Inc. ("**Whole Earth**" or the "**Company**") filed a Current Report on Form 8-K (the "**Initial Report**") to report the closing on February 5, 2021, of its acquisition (the "**Transaction**") of WSO Investments, Inc. (the "**Target**" and together with its subsidiaries "**Wholesome**"), pursuant to the previously announced stock purchase agreement, dated as of December 17, 2020 (the "**Purchase Agreement**"), by and among the Company, Wholesome, WSO Holdings, LP ("**WSO Partnership**"), Edwards Billington and Son, Limited ("**EBS**"), WSO Holdings, LLC ("**WSO LLC**," and together with WSO Partnership and EBS, the "**WSO Sellers**"), and WSO Partnership, in its capacity as representative for the WSO Sellers. The Target is the direct parent of its wholly-owned subsidiary Wholesome Sweeteners, Incorporated, which was formed to import, market, distribute, and sell organic sugars, unrefined specialty sugars, and related products.

This Current Report on Form 8-K/A (this "**Amendment**") amends and supplements the Initial Report to provide annual and interim financial statements of Wholesome, and the pro forma financial statements of Whole Earth required by Item 9.01 of Form 8-K. No other modifications to the Initial Report are being made by this Amendment. This Amendment should be read in conjunction with the Initial Report, which provides a more complete description of the Transaction.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of business acquired.

The audited consolidated financial statements of Wholesome as of August 28, 2020 and August 30, 2019 and for the years then ended, and the related notes thereto, is filed as Exhibit 99.1 to this Current Report on Form 8-K/A and incorporated herein by reference. The unaudited consolidated financial statements of Wholesome as of November 27, 2020 and August 28, 2020, and for the three-month periods ended November 27, 2020 and November 29, 2019, and the related notes thereto, is filed as Exhibit 99.2 to this Current Report on Form 8-K/A and incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined financial information of Whole Earth, giving effect to the acquisition of Wholesome, as of and for the year ended December 31, 2020, and the related notes thereto, is filed as Exhibit 99.3 to this Current Report on Form 8-K/A and incorporated herein by reference.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Grant Thornton LLP, independent certified public accountants of Wholesome.
99.1	Audited consolidated financial statements of Wholesome as of August 28, 2020 and August 30, 2019 and for the years then ended, and the related notes thereto.
99.2	Unaudited consolidated financial statements of Wholesome as of November 27, 2020 and August 28, 2020, and for the three-month periods ended November 27, 2020 and November 29, 2019, and the related notes thereto.
99.3	Unaudited pro forma condensed combined financial information of Whole Earth, giving effect to the acquisition of Wholesome, as of and for the year ended December 31, 2020 and the related notes thereto.

SIGNATURE

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

Whole Earth Brands, Inc.

Dated: March 26, 2021

By: /s/ Andrew Rusie
Name: Andrew Rusie
Title: Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated February 19, 2021, with respect to the consolidated financial statements of WSO Investments, Inc. as of August 28, 2020 and August 30, 2019 and for the years then ended included in this current report of Whole Earth Brands, Inc. on Form 8-K. We consent to the incorporation by reference of said report in the Registration Statement of Whole Earth Brands, Inc. on Form S-8 (File No. 333-248764).

/s/ GRANT THORNTON LLP

Houston, Texas
March 26, 2021

Consolidated Financial Statements and Report of Independent Certified Public Accountants

WSO Investments, Inc.

August 28, 2020 and August 30, 2019

Contents

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
WSO Investments, Inc.

We have audited the accompanying consolidated financial statements of WSO Investments, Inc. (a Delaware corporation) and subsidiaries, which comprise the consolidated balance sheets as of August 28, 2020 and August 30, 2019, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of WSO Investments, Inc. and subsidiaries as of August 28, 2020 and August 30, 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Houston, Texas
February 19, 2021

WSO Investments, Inc.

CONSOLIDATED BALANCE SHEETS

As of August 28, 2020 and August 30, 2019
(in 000's)

	August 28, 2020	August 30, 2019
ASSETS		
CURRENT ASSETS		
Cash	$ 247	$ 438
Accounts receivable, less allowance of $468 and $473, respectively	16,961	14,244
Inventories	72,028	76,196
Income taxes refundable	-	910
Prepaid expenses	954	638
TOTAL CURRENT ASSETS	90,190	92,426
PROPERTY AND EQUIPMENT, net	2,709	2,693
DUE FROM WSO HOLDINGS, LP	2,402	2,342
INVESTMENT IN WS SERVICES, LLC	617	-
INTANGIBLE ASSETS, net	35,121	40,553
OTHER LONG TERM ASSETS	552	707
GOODWILL	57,149	57,149
TOTAL ASSETS	$ 188,740	$ 195,870
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 9,027	$ 12,670
Accrued expenses	9,213	10,718
Accrued interest	1,308	92
Income taxes payable	417	-
TOTAL CURRENT LIABILITIES	19,965	23,480
DEFERRED RENT	1,180	283
DEFERRED INCOME TAX LIABILITIES, net	5,936	6,881
LONG-TERM DEBT, net	79,201	84,580
TOTAL LIABILITIES	106,282	115,224
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
WSO Investments, Inc.:		
Common stock $.01 par value - Class A voting shares, 100 shares authorized, 1.84 shares issued and outstanding	-	-
Common stock $.01 par value - Class B non-voting shares, 1,600 shares authorized, 900 shares issued and outstanding	-	-
Common stock $.01 par value - Class C non-voting shares, 100 shares authorized, 0.00 shares issued and outstanding	-	-
Equity warrants	124	124
Paid-in capital	98,844	98,844
Less treasury stock, .16 and .13 Class A shares, respectively, at cost	(10,169)	(10,169)
Retained deficit	(6,341)	(8,153)
TOTAL STOCKHOLDERS' EQUITY	82,458	80,646
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 188,740	$ 195,870

The accompanying notes are an integral part of these consolidated financial statements.

WSO Investments, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended August 28, 2020 and August 30, 2019
(in 000's)

	August 28, 2020	August 30, 2019
Sales	$ 198,925	$ 186,662
Less discounts, returns and allowance	9,408	10,132
Net sales	189,517	176,530
Cost of goods sold	161,105	158,805
Gross profit	28,412	17,725
Selling and general and administrative expenses		
Selling	4,005	3,973
General and administrative	7,293	6,859
Depreciation and amortization	6,466	6,593
Operating Income	10,648	300
Other income (loss)	217	(10,774)
Interest expense, net	8,404	8,273
Income (loss) before taxes	2,461	(18,747)
Provision (benefit) for income taxes	649	(4,336)
NET INCOME (LOSS)	$ 1,812	$ (14,411)

The accompanying notes are an integral part of these consolidated financial statements.

WSO Investments, Inc.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years ended August 28, 2020 and August 30, 2019
(in 000's)

	Common stock											
	Class A Shares		Class B		Class C		Treasury stock		Purchase warrant	Paid-in capital	Retained	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	amount	amount	deficit	equity
Balance, September 1, 2019	1.87	$ -	900	$ -	-	$ -	0.13	$ (9,454)	-	$ 98,844	$ 6,258	$ 95,648
Repurchase of Class A shares	(0.03)	-	-	-	-	-	0.03	(715)	-	-	-	(715)
Warrants Issued	-	-	-	-	-	-	-	-	124	-	-	124
Net loss	-	-	-	-	-	-	-	-	-	-	(14,411)	(14,411)
Balance, August 30, 2019	1.84	-	900	-	-	-	0.16	(10,169)	124	98,844	(8,153)	80,646
Net income	-	-	-	-	-	-	-	-	-	-	1,812	1,812
Balance, August 28, 2020	1.84	$ -	900	$ -	-	$ -	0.16	$ (10,169)	$ 124	$ 98,844	$ (6,341)	$ 82,458

The accompanying notes are an integral part of these consolidated financial statements.

WSO Investments, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended August 28, 2020 and August 30, 2019
(in 000's)

	August 28, 2020	August 30, 2019
Cash flows from operating activities:		
Net income (loss)	$ 1,812	$ (14,411)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	1,035	1,162
Amortization of intangibles	5,431	5,431

Amortization of debt issuance costs	755	1,851
Amortization of long term assets	155	-
Deferred income taxes	(945)	(4,856)
Deferred rent expense	897	52
Impairment of candy assets	-	10,579
Provision for bad debt expense	341	(13)
Paid in kind interest	2,283	
(Increase) decrease in:		
Accounts receivable	(3,058)	2,912
Income taxes refundable	910	2,630
Inventories	4,168	(3,847)
Prepaid expenses	(316)	395
(Decrease) increase in:		
Accounts payable	(3,643)	2,181
Income taxes payable	417	-
Accrued expenses	(1,505)	(550)
Accrued interest	1,156	(59)
Net cash provided by operating activities	9,893	3,457
Cash flows from investing activities:		
Investment in WS Services, LLC	(617)	-
Investment in intangible assets	-	(42)
Investment in other non-current asset	-	(707)
Purchase of property and equipment	(1,051)	(1,605)
Net cash used in investing activities	(1,668)	(2,354)
Cash flows from financing activities:		
Payments on term note	-	(33,442)
Payments on revolving credit agreement, net	(8,370)	(10,030)
Borrowings on term note		36,000
Borrowing on subordinated promissory note	-	6,429
Issuance of stock purchase warrant	-	124
Proceeds on note receivable from employee	-	679
Debt issuance costs	(46)	(4,435)
Repurchase treasury shares	-	(715)
Net cash used in financing activities	(8,416)	(5,391)
NET DECREASE IN CASH	(191)	(4,288)
Cash, beginning of year	438	4,726
Cash, end of year	$ 247	$ 438
Supplemental disclosures of cash flow information:		
Income taxes paid	$ 539	$ 676
Interest paid	$ 5,255	$ 5,386

The accompanying notes are an integral part of these consolidated financial statements.

WSO Investments, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 28, 2020 and August 30, 2019
($ in thousands)

NOTE A - BUSINESS AND ORGANIZATION

WSO Investments, Inc. (“WSO”), a Delaware Corporation, was formed in April 2012 to acquire all of the equity of Wholesome Sweeteners, Inc. (“Wholesome”), a Delaware Corporation. Wholesome was formed by Edward Billington & Son, Ltd. (“Billington”) and Imperial Sugar Company (“Imperial”) in June 2001 to import, market, distribute, and sell organic sugars, unrefined specialty sugars, and related products. Operations began on July 1, 2001. On November 23, 2015, Wholesome acquired 100% of the issued and outstanding units of TruSweets, LLC (“TruSweets”), a producer of organic and all natural candy and related products based in the United States. WSO, Wholesome and TruSweets are collectively referred to as the Company.

In fiscal year 2019, the Company made the decision to discontinue operations of its candy segment of the business. In connection with this, the Company recognized a loss of $10,600, which is included in other income in the accompanying consolidated statements of operations. The loss consisted of goodwill impairment charges of $6,800, an inventory reserve of $1,800, a property and equipment write down of $1,700 and a reserve for other expenses of $300 in the year ended August 30, 2019. In March 2020, the operation of the candy segment was discontinued.

The results of the candy segment are not considered material and as such, have not been presented separately on the consolidated balance sheets, statements of operations or cash flows as of August 28, 2020 and August 30, 2019 and for the years then ended.

In December 2019 the Company entered into a partnership agreement with Sucro Can International, LLC (“Sucro”) to form WS Services, LLC (“WS Services”). As of August 28, 2020 the Company had a 50% interest in the partnership. The investment is accounted for using the equity method in the consolidated balance sheets.

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally and the financial markets have experienced significant volatility as a result. Although it is not possible to reliably estimate the length or severity of this outbreak and the resulting financial impact, the Company may be adversely affected by the risks and market uncertainty related to the recent outbreak. Further, as a result of COVID-19 there have been travel restrictions and closures mandated by federal, state and local authorities which could negatively impact the Company's operations. While the extent of the impact of COVID-19 on the Company's operational and financial performance is uncertain, the Company does not anticipate any resulting negative impacts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and related notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. The Company maintains its accounts on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accounting principles followed by the Company and the methods of applying those principles, which can materially affect the determination of financial position, results of operations and cash flows are summarized as follows:

Principles of Consolidation

The consolidated financial statements include WSO Investments, Inc., Wholesome Sweeteners, Inc., and TruSweets, LLC (collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation. The Company accounts for investments over which it has significant influence but not a controlling financial interest using the equity method of accounting.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ significantly from those estimates.

Fiscal Year-End

The Company has adopted a 52/53 week fiscal year. The Company's fiscal year ends on the Friday nearest to August 31. Accordingly, the Company's results of operations and cash flows are for the fiscal years ended August 28, 2020 and August 30, 2019.

Cash

The Company defines cash as cash on deposit and short-term highly liquid investments with an original maturity at the date of purchase of three months or less to be cash.

Accounts Receivable

Accounts receivable is recorded net of the allowance for doubtful accounts. The allowance for doubtful accounts is an estimate based on a review of the customer accounts with consideration given to historical performance, trends, and credit exposure.

Inventories

Inventories consist primarily of finished goods and are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out ("FIFO") method.

Property and Equipment

Property and equipment is recorded at cost. Ordinary maintenance and repairs are charged to expense as incurred. Expenditures that extend the physical or economic life of the assets are capitalized and depreciated. Gains or losses on the disposition of assets sold or retired are recognized in income and the related asset and accumulated depreciation accounts are adjusted accordingly. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the respective assets. Computer equipment and software and motor vehicles have a three year estimated useful life, plant and equipment has a ten year estimated useful life, office equipment has a five year useful life, and office furniture has a five to seven year useful life. Leasehold improvements are depreciated over their useful lives or the term of the lease, whichever is shorter.

Equity Method Investment

In December 2019, WSI entered into a partnership agreement with Sucro Can International, LLC to form WS Services, LLC with the purpose to manage and operate a bonded warehouse located in Lackawanna, New York. As of August 28, 2020, the Company had a 50% interest in the partnership. The partnership did not have any operating activities during the year and the balance of the investment as of August 28, 2020 represents the initial investment in the partnership of $617.

($ in thousands)

The Company accounts for its investment in its unconsolidated affiliate, which we do not control but have the ability to exercise significant influence over, using the equity method investment. Under this method, the investment is recorded at acquisition cost, increased by our proportionate share of earnings and additional capital contributions and decreased by our proportionate share of any losses and distributions received.

Intangible Assets and Goodwill

Assets acquired and liabilities assumed in a business acquisition are recorded at fair value on the date of the acquisition. Purchase consideration in excess of the aggregate fair value of acquired net assets is allocated to identifiable intangible assets and any remaining excess purchase consideration is allocated to goodwill. The total amount of goodwill arising from an acquisition may be assigned to one or more reporting units in situations where the acquired business consists of multiple operating segments. The method of assigning goodwill to reporting units shall be reasonable and supportable and applied in a consistent manner and may involve estimates and assumptions.

Impairment testing is performed annually or upon the occurrence of a triggering event indicating that the fair value of the entity might be less than its carrying amount. When a triggering event occurs, an entity has the option to perform a qualitative assessment to determine whether a quantitative test is needed. If that assessment demonstrates it is not more likely than not that impairment exists, no further testing is required. On the other hand, if impairment of goodwill is more likely than not, a quantitative test is required that compares the fair value of the entity with its carrying amount.

We performed a quantitative goodwill impairment test as of August 30, 2019 and determined fair value using the income approach. Under the income approach, we determined fair value based on estimated future cash flows reflective of management's decision to discontinue operations of the candy segment of the business as discussed in Note A. Based on the quantitative goodwill impairment test described above, our carrying amount exceeded fair value and as a result, we recognized a goodwill impairment of $6,800 million during the year ending August 30, 2019.

The estimated useful life to amortize intangible assets is as follows:

Customer relationships - ingredient	12 years
Customer relationships - retail	15 years
Trade names	20 years
Non-compete	4 years

Debt Issuance Costs

Deferred financing costs are amortized on a straight-line basis over the term of the related debt, which approximates the effective interest method. Unamortized debt issuance costs are shown as a reduction of long-term debt.

Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset or its disposition. Measurements of an impairment loss for long-lived assets that management expects to hold and use are based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell. As described in Note A, during the year ended August 30, 2019 the Company wrote down assets related to the candy business due to the decision to discontinue operations.

Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, accounts payable, and other current liabilities approximates fair value due to their short-term maturities. The carrying value of the Company's line of credit approximates fair value due to the stated interest rates approximating market rates.

Revenue Recognition

On September 1, 2018, the Company adopted Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers,* using the modified retrospective method. The adoption was made on all contracts with customers that are not complete at the date of initial application. The Company's adoption of ASC 606 did not result in an adjustment to the opening balance of retained earnings as of September 1, 2018 but it increased disclosure requirements with respect to its revenues from contracts with customers.

Application of ASC 606

The Company accounts for a contract or purchase order when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company's contracts with customers generally represent a single performance obligation related to the fulfillment of customer orders for the purchase of its products, which include organic sugars, unrefined specialty sugars, and related products as well as organic and all natural candy and related products. While unit prices are generally fixed, the Company provides variable consideration to customers, typically in the form of early payment discounts and promotional discounts which are estimated using the most likely and expected value methods of estimation, respectively, as defined within ASC 606. Such discounts are recorded as a reduction of revenue at the time revenue is recorded. The Company also accepts returns from customers for goods having quality defects or for any other reasons such as disagreements or improper delivery. When revenue is recorded, estimates of returns are made based on historical return information and recorded as a reduction of revenue. Under ASC 606, the Company is also required to present a refund liability and a return asset within the consolidated financial statements to account for the customer's right of return. There have been no significant refund liabilities and return assets recorded as of August 28, 2020 and August 30, 2019.

Revenues for all product sales are recognized at a point in time when control of the product passes to the customer, which is upon shipment, unless otherwise specified within the customer contract or on the purchase order as upon delivery. This determination is based on applicable shipping terms, as well as the consideration of other indicators, including timing of when the Company has a present right to payment, when physical possession of products is transferred to customers, when the customer has the significant risks and rewards of ownership of the asset, and any provisions in contracts regarding customer acceptance.

WSO Investments, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 28, 2020 and August 30, 2019
($ in thousands)

Practical Expedients and Policy Elections

The Company elected certain permitted practical expedients and made accounting policy elections upon adoption of ASC 606:

The Company elected to use the portfolio approach practical expedient in applying ASC 606. Such expedient allows the Company to apply ASC 606 to a portfolio of contracts with similar characteristics as it reasonably expects that the effects on the consolidated financial statements of applying ASC 606 to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio.

The Company's contracts with customers generally contain payment terms ranging from cash before delivery to 60 days. Since the standard payment term is less than one year, the Company elected the practical expedient to not assess whether a contract has a significant financing component.

The Company’s contracts are of durations that are less than one year. Accordingly, the Company elected the practical expedient of recognizing incremental costs of obtaining contracts (i.e. commissions) as an expense when incurred if the amortization period of the assets the Company otherwise would have recognized is one year or less.

The Company made an accounting policy election to account for shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment activity, rather than a separate performance obligation.

Disaggregation of Revenues

The Company’s revenues by type of customer for the fiscal years ended August 28, 2020 and August 30, 2019 are as follows:

	2020	2019
Ingredients	$ 46,992	$ 46,897
Private label	91,897	80,820
Retail	59,221	57,885
Others	815	1,069
Total sales	198,925	186,662
Discount, returns and allowances	9,408	10,132
Net sales	$ 189,517	$ 176,530

Advertising

Consumer targeted advertising costs, which are included in selling expenses, are expensed as incurred and were $1,268 and $450 for the years ended August 28, 2020 and August 30, 2019, respectively.

WSO Investments, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

August 28, 2020 and August 30, 2019
($ in thousands)

Sales Incentives

Certain sales incentives, which include customer promotional activities such as off-invoice promotions and early payment discounts, are recorded as reductions of sales at the time revenue is recognized. Such allowances, where applicable, are estimated based on the anticipated volume and promotional spending with specific customers. Sales incentives incurred were $6,575 and $7,079 for the years ended August 28, 2020 and August 30, 2019, respectively.

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be due. Uncertain tax positions are recognized only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. The Company classifies both interest and penalties, if any, related to unrecognized tax benefits as income tax expense on the consolidated statements of operations.

Treasury Stock

The Company uses the cost method to record treasury stock purchases whereby the entire cost of the acquired shares of the common stock is recorded as treasury stock (at cost). When the Company subsequently reissues these shares, proceeds in excess of cost upon the issuance of treasury shares are credited to additional paid in capital, while any deficiency is charged to retained earnings.

Evaluation of Going Concern

($ in thousands)

The Company performed an evaluation of its ability to continue as a going concern within one year after the date the consolidated financial statements were available to be issued. No going concern issues were identified.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards ("FASB") issued its new lease accounting guidance in Accounting Standards Update ("ASU") 2016-02,*Leases* ("Topic 842"). Under the new guidance, lessees will be required to recognize for all leases (with the exception of short-term leases) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new standard is effective for annual periods beginning after December 15, 2021. The Company is currently evaluating the impact of the adoption of this ASU to the Company's consolidated financial statements and related disclosures.

Subsequent Events

Subsequent events are evaluated through February 19, 2021, the date the financial statements were available to be issued.

NOTE C - PROPERTY AND EQUIPMENT

A summary of major classifications of property and equipment as of August 28, 2020 and August 30, 2019 is as follows:

	2020	2019
Computer equipment	$ 1,792	$ 2,146
Plant and equipment	3,253	2,948
Office furniture	478	420
Office equipment	33	21
Leasehold improvements	816	569
Total property and equipment	6,372	6,104
Less accumulated depreciation	(3,663)	(3,412)
Property and equipment, net	$ 2,709	$ 2,693

Depreciation expense was $1,035 and $1,162 for the years ended August 28, 2020 and August 30, 2019.

NOTE D - INTANGIBLE ASSETS

A summary of intangible assets is as follows:

2020	Gross carrying amount	Accumulated amortization	Net carrying value
Customer relationships - ingredient	$ 18,500	$ 12,975	$ 5,525
Customer relationships - retail	46,400	26,036	20,364
Trade names	15,777	6,550	9,227
Non-compete	2,000	2,000	-
Domain name	7	2	5
Total intangible assets	$ 82,684	$ 47,563	$ 35,121

2019	Gross carrying amount	Accumulated amortization	Net carrying value
Customer relationships - ingredient	$ 18,500	$ 11,434	$ 7,066
Customer relationships - retail	46,400	22,942	23,458
Trade names	15,777	5,753	10,024
Non-compete	2,000	2,000	-
Domain name	7	2	5
Total intangible assets	$ 82,684	$ 42,131	$ 40,553

($ in thousands)

Aggregate intangible amortization expense was $5,431 for each of the years ended August 28, 2020 and August 30, 2019.

Estimated aggregate amortization expense of intangible assets for the next five years is as follows:

Fiscal Year	Amount
2021	$ 5,432
2022	5,432
2023	5,432
2024	4,790
2025	3,891
	$ 24,977

NOTE E - LONG-TERM DEBT

Credit Agreement

On September 2, 2014, the Company entered into a revolving credit agreement (the "Old Agreement"), which replaced the former line of credit and certain subordinated debt. The Old Agreement provided for up to $60,000 (subject to a borrowing base) of senior secured revolving credit loans, documentary and standby letters of credit, and a $40,000 dollar term loan secured by the same collateral. The Old Agreement was to expire September 2, 2019, and was secured by substantially all assets.

During fiscal years 2015 through 2019, the Company entered into seven separate amendments and related forbearance agreements, which provided for an additional term loan of $20,399, extended the termination date for both the term loan and the revolving credit agreement to July 26, 2022, amended interest periods, covenant dates, and waived certain covenant violations.

On August 21, 2019 the Old Agreement and amendments were replaced with a new Revolving Credit Note and Term loan described below. Interest expense on the Old Agreement was $3,798 for the year ended August 30, 2019. In conjunction with this transaction, there was $1,474 of capitalized cost written off related to the Old Agreement which included in debt issuance costs in the consolidated statements of cash flows.

Subordinated Convertible Promissory Note

On October 26, 2018, the Company entered into an $8,000 Subordinated Convertible Promissory Note with one of its largest indirect shareholders which is secured by the Company's outstanding Class B shares. The initial draw on the note was $4,100. The note accrues interest at a rate of 12.0%. Interest is accrued and added to the principal amount of the note quarterly. The note matures on October 26, 2023 or earlier if certain conditions occur.

On March 1, 2019, the Company modified the $8,000 Subordinated Convertible Promissory Note to increase the amount available to $10,000.

On August 21, 2019, the Company made a second draw of $2,000.

At any time prior to the maturity date, the majority noteholder on behalf of all noteholders, may elect to convert all or any portion of the then outstanding principal and interest into shares of Class C common stock of the Company. Immediately following any conversion, the Class C shares may be exchanged for an equal value of equity interest in WSO Holdings, LP. The number of Class C shares received on conversion is
dependent on the converted balance divided by an equity valuation of $28,988,000. As of August 28, 2020, none of the principal or interest had been converted.

As of August 28, 2020 and August 30, 2019 there was $7,195 and $6,429 due on the note consisting of principle and interest. For the years ended August 28, 2020 and August 30, 2019 accrued interest expense was $823 and $421.

Revolving Credit Note and Term Loan

On August 21, 2019 the Company entered into a revolving credit note which provided for up to $75,000 (subject to the borrowing base) of senior secured revolving credit loans and letters of credit and has a first priority perfected security interest in substantially all assets, including but not limited to all receivables, equipment and fixtures, and inventory. The note expires on August 21, 2024. Interest on advances are payable on the first business day of each month with respect to domestic rate loans and the end of the interest period for LIBOR rate loans. There are no principal payments required during the term of the note. As of August 28, 2020 and August 30, 2019 there was $17,013 and $10,127 of availability and no letters associated with the note. Interest expense was $1,340 and $23 for the years ended August 28, 2020 and August 30, 2019. As of August 28, 2020 and August 30, 2019 and there was outstanding principal of $37,500 and 45,870.

On August 21, 2019 the Company entered into a $36,000 term loan which expires February 21, 2025 and has a standard second lien inter-creditor agreement with the holders of the senior secured revolving credit loans and letters of credit. The loan requires quarterly interest payments at a rate equal to the LIBOR rate plus applicable margin, plus the capitalized interest ("PIK") rate. Interest payable at the PIK rate is capitalized into the term note quarterly. Remaining interest is paid in cash. There are no principal payments required during the term of the loan. Interest expense was $5,536 and $136 for the fiscal year ended August 30, 2019.

The Company capitalized $46 and $3,739 of legal and advisor costs, closing fees and other expenses incurred in conjunction with the revolving credit agreement and term loan for the period ending August 28, 2020 and August 30, 2019, respectively.

	2020	2019

	2020	2019
Long-term debt consists of:		
Subordinated debt	$ 7,195	$ 6,430
Term loan	37,517	36,000
Revolving credit loans	37,500	45,870
Total long-term debt	82,212	88,300
Less: Debt issuance costs	(3,011)	(3,720)
Total long-term debt, net	$ 79,201	$ 84,580

NOTE F - DEFINED CONTRIBUTION RETIREMENT PLAN

The Company has a defined contribution 401(k) plan for the benefit of its employees. Employees are generally eligible to participate in the plan immediately upon hire and obtaining age 18. The Company's matching contributions to the plan were $393 and $372 for the years ended August 28, 2020 and August 30, 2019, respectively.

NOTE G - INCOME TAXES

The provision for income tax for each year consists of the following:

	2020	2019
Current expense:		
Federal	$ 1,306	$ 339
State	288	181
Total current expense	1,594	520
Deferred benefit:		
Federal	(883)	(4,328)
State	(62)	(528)
Total deferred benefit	(945)	(4,856)
Expense (benefit) for income taxes	$ 649	$ (4,336)

A reconciliation of income taxes at the federal statutory rate with income taxes recorded by the Company for each year is as follows:

	2020	2019
Taxes at Federal income tax rate of 21%	$ 517	$ (3,937)
State franchise/income taxes – net of federal income tax effect	165	(386)
Effect of permanent differences:		
Other	(33)	(13)
Provision (benefit) for income taxes	$ 649	$ (4,336)

Deferred taxes as of August 28, 2020 and August 30, 2019 relate primarily to the following temporary differences:

	2020	2019
Current deferred income tax assets:		
Bad debt provision	$ 116	$ 115
Sales discount provision	134	48
Inventory	313	91
Interest expense limitation	404	1,214
Deferred rent	287	52
Candy segment impairment	-	2,582

($ in thousands)

Accrued liabilities	243	82
Accrued interest	783	-
Other	35	-
Current deferred income tax assets	2,315	4,184
Non-current deferred income tax liabilities:		
Tax in excess of book depreciation	(631)	(780)
Tax in excess of book amortization	(7,559)	(10,245)
Other	(61)	(40)
Total non-current deferred income tax liabilities	(8,251)	(11,065)
Total deferred income tax liabilities	$ (5,936)	$ (6,881)

The Company files tax returns in the U.S. federal jurisdiction and various state jurisdictions. Wholesome is currently open to exam under the statute of limitations by the Internal Revenue Service for the fiscal years 2017 through 2019. The Company's state tax returns are open to exam under the statute of limitations for the fiscal years 2016 through 2019.

In response to the global pandemic related to COVID-19, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act on March 27, 2020. The CARES Act provides numerous relief provisions for corporate tax payers, including modification of the utilization limitations on net operating losses, favorable expansions of the deduction for business interest expense under Internal Revenue Code Section 163(j), and the ability to accelerate timing of refundable alternative minimum tax credits. There were no material tax impacts to our condensed consolidated financial statements as it relates to the CARES Act.

As of August 28, 2020 and August 30, 2019, the Company recognized no uncertain tax positions.

NOTE H - COMMON STOCK

WSO was formed in April 2012 with 1,100 shares of $0.01 par value common stock authorized of which 100 shares were designated Class A and 1,000 shares were designated Class B. In August 2019 the Company amended the Certificate of Incorporation to have authorized 1,800 total shares of $0.01 par value common stock of which 100 shares are designated Class A, 1,600 shares are Class B, and 100 shares are Class C. As of August 28, 2020 and August 30, 2019 there were 1.84 shares of Class A, 900 shares of Class B and no shares of Class C outstanding.

On August 21, 2019 in connection with the term loan described in Note E, the Company issued warrants exercisable into Class C Common Stock equivalent. The number of Class C shares available to be issued is dependent on the Company's adjusted EBITDA as defined in the Term Loan Agreement for the year ended August 28, 2020. As the adjusted EBITDA was over $14,000 for the year ended August 28, 2020, the warrants are exercisable into 0.091041 shares. The purchase price per share of the Class C Common Stock is $0.01. The option to exercise the warrants expires on August 21, 2029. As of August 28, 2020 the warrants have not been exercised. As of August 28, 2020 the warrants were valued at $124.

NOTE I - COMMITMENTS AND CONTINGENCIES

The Company has contracts with various companies that guarantee pricing and delivery of sugar and agave. The Company's responsibilities include taking delivery and making payment for the product during the terms of these contracts that are generally one year or less. As of August 28, 2020, the Company had 37,934 metric tons, valued at approximately $26,871 remaining to be purchased under these contracts through August 2021.

Sugar Creek on the Lake

In October 2013, Wholesome entered into a 91-month non-cancelable lease agreement for 15,562 square feet of office space in the Sugar Land area with a total lease commitment of $1,988. On January 27, 2014, Wholesome entered into the First Amendment of the Lease, which increased the total leased space to 19,021 square feet and a total lease commitment of $2,073. The lease term commenced February 14, 2014.

In June 2018, the Company entered into a 37-month non-cancelable sub-lease agreement for 6,168 square feet of the Sugar Creek on the Lake office space with a total lease receivable commitment of $238. The lease term commenced September 1, 2018.

In December 2018, the Company entered into a second sublease agreement for the Sugar Creek on the Lake space. This sub-lease is a 33.5-month non-cancelable agreement for 9,394 square feet of office with a total lease receivable commitment of $340. The lease term commenced December 17, 2018.

Arlington Heights

In June 2016, the Company entered into a 52-month non-cancelable lease for 25,027 square feet of office and warehouse space in Arlington Heights, Illinois with a total lease commitment of $738. The lease term commenced September 1, 2016. In October 2020 the Company entered into a lease termination agreement with the landlord which terminated the lease as of October 2020.

One Sugar Creek Center

In March 2018, the Company entered into a 72-month non-cancelable lease for 14,743 square feet of office space in the Sugar Land area with a total lease commitment of $1,401. The lease term commenced May 1, 2018.

Colony Row

In November 2019, the Company entered into a 13-month non-cancelable lease for 2,687 square feet of office space in Broomfield, Colorado with a total lease commitment of

($ in thousands)

$41.

Victory Park

On December 13, 2019, the Company entered into a 68.5-month non-cancelable lease agreement for 349,050 square feet of office space in the Houston area with a total lease commitment of $7,826.

Rent expense was $502 and $510 for the years ended August 28, 2020 and August 30, 2019, respectively. Future non-cancelable minimum lease payments net of lease revenue under the leases are as follows:

Fiscal Year		Amount
2021	$	1,970
2022		1,883
2023		1,910
2024		1,715
2025		1,553
	$	9,031

In the ordinary course of business, the Company may be involved in various lawsuits and claims. Claims occur in the normal course of the Company's operations, and in the opinion of the Company's management, there are no claims against the Company that will have a material effect on the Company's financial position or results of operations.

NOTE J - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and trade accounts receivable.

The Company's cash balance was with a single financial institution as of August 28, 2020 and August 30, 2019. As of August 28, 2020 and August 30, 2019, cash balances were insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250. As of August 28, 2020, the Company's cash balance was below the FDIC limit. As of August 30, 2019, the Company's cash balance was above the FDIC limit by $188.

To minimize risk associated with trade accounts receivable the Company performs initial and ongoing credit evaluations of the financial condition of its customers.

For the year ended August 28, 2020, the Company had two customers who each accounted for 20% and 11% of sales. For the year ended August 30, 2019, the Company had two customers who each accounted for 19% and 11% of sales. As of August 28, 2020, the Company had one customer that accounted for 27% of the total trade receivables. As of August 30, 2019, the Company had no customers that accounted for more than 10% of the total trade receivables.

For the year ended August 28, 2020, the Company had two vendors who each accounted for 16% and 12% of total purchases. For the year ended August 30, 2019, the Company had two vendors who each accounted for 26% and 10% of total purchases. As of August 28, 2020, the Company had one vendor who accounted for 14% of the Company's accounts payable balance. As of August 30, 2019, the Company had two vendors who accounted for 22% and 11% of the Company's accounts payable balance.

NOTE K - RELATED-PARTY TRANSACTIONS

In January 2015, WSO's 100% owner WSO Holdings, LP repurchased common points from a former partner for $2,817. Wholesome advanced money to WSO Holdings, LP to fund this transaction. The advance is evidenced by a note in the amount of $2,817 that accrues interest at 0.56%, matures on January 4, 2018 with interest and principal due at maturity. In connection with the purchase of TruSweets, WSO Holdings, LP contributed $515 toward the purchase in partial satisfaction of its obligation to the Company. On December 14, 2017, the Company and WSO Holding, LP entered into the First Amendment to the Intercompany Promissory Note, which extended the due date of the obligation to January 4, 2023 and revised the interest rate to 2.30%. As of August 28, 2020 and August 30, 2019, $2,493 and $2,451, respectively, was outstanding and is included due from WSO Holdings, LP in the consolidated balance sheets. For years ended August 28, 2020 and August 30, 2019, the Company recognized $56 and $55 of interest income related to the note.

In April 2018, in connection tax distributions made to certain partners, the Company entered into an Intercompany Promissory Note receivable with WSO Holdings LP for $159. Interest accrues at a rate of 2.72%. All accrued but unpaid interest is added to the principal amount outstanding on the first day of each month. The principal amount and all accrued but unpaid interest is due on December 30, 2025 or earlier if certain transactions occur. The note and interest receivable is included in Due from WSO Holdings LP in the consolidated balance sheet. For each of the years ended August 28, 2020 and August 30, 2019, the Company recognized $4 of income related to the note.

In October 2018, the Company entered into an $8,000 Subordinated Convertible Promissory Note with one of its indirect shareholders. This note was subsequently amended on March 1, 2019, as described in Note E.

In April 2019, under terms of Common and Incentive Securities Redemption Agreements, the Company repurchased Series A Common Stock from a former partner for $715.

This stock is included as treasury stock in the consolidated balance sheet.

As described in Notes E and H, in August 2019 the Company entered into new term loan and warrant agreements. An officer and employee of the Company has a 1.389% of the total term loan commitment. This is included in long-term debt and equity in the consolidated balance sheets. For the year ended August 28, 2020 the Company paid the employee $54 for interest related to the note.

The Company reimbursed Billington $9 and $123 for travel expenses of personnel for the years ended August 28, 2020 and August 30, 2019, respectively. These are reflected in selling and general and administrative expenses in the consolidated statements of operations.

As discussed in Note A, in December 2019 the Company entered into a partnership agreement with Sucro to form WS Services. As of August 28, 2020 the Company had a 50% interest in the partnership. For the year ended August 28, 2020 the Company contributed $617 to the partnership. The Company utilized a WS Services warehouse for storage of raw materials. During the year ended August 28, 2020 the Company expensed $184 and had a payable to WS Services for $115.

From December 2019 to August 2020 the Company purchased $19,785 of sugar from Sucro, the Company's partner in WS Services. As of August 28, 2020 the Company had an accounts payable balance of $1,186. During the same period Sucro purchased $524 of sugar from the Company. There was no receivable balance as of August 28, 2020.

NOTE L - SUBSEQUENT EVENTS

On December 17, 2020 the Company entered into a Stock Purchase Agreement ("SPA") to sell all the issued and outstanding capital stock of WSO to Whole Earth Brands, Inc., a global food company for $180,000. The transaction closed February 5, 2021.

Exhibit 99.2

Contents

WSO Investments, Inc.

UNAUDITED CONSOLIDATED BALANCE SHEETS

As of November 27, 2020 and August 28, 2020
(in 000's)

	November 27, 2020	August 28, 2020
ASSETS		
CURRENT ASSETS		
Cash	$ 238	$ 247
Accounts receivable, less allowance of $468 and $473, respectively	18,643	16,961
Inventories	79,546	72,028
Prepaid expenses	874	954
TOTAL CURRENT ASSETS	99,301	90,190
PROPERTY AND EQUIPMENT, net	2,830	2,709
DUE FROM WSO HOLDINGS, LP	2,417	2,402
INVESTMENT IN WS SERVICES, LLC	806	617
INTANGIBLE ASSETS, net	33,763	35,121
OTHER LONG TERM ASSET	514	552
GOODWILL	57,149	57,149
TOTAL ASSETS	$ 196,780	$ 188,740
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 9,208	$ 9,027
Accrued expenses	9,932	9,213
Accrued interest	1,054	1,308
Income taxes payable	2,115	417
TOTAL CURRENT LIABILITIES	22,309	19,965
DEFERRED RENT	1,004	1,180
DEFERRED INCOME TAX LIABILITIES, net	5,437	5,936
LONG-TERM DEBT, net	81,903	79,201
TOTAL LIABILITIES	110,653	106,282
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
WSO Investments, Inc.:		
Common stock $.01 par value - Class A voting shares, 100 shares authorized, 1.84 shares issued and outstanding		
Common stock $.01 par value - Class B non-voting shares, 1,600 shares authorized, 900 shares issued and outstanding		
Common stock $.01 par value - Class C non-voting shares, 100 shares authorized, 0.00 shares issued and outstanding		
Equity warrants	124	124
Paid-in capital	98,844	98,844
Less treasury stock, .16 and .13 Class A shares, respectively, at cost	(10,169)	(10,169)
Retained deficit	(2,672)	(6,341)
TOTAL STOCKHOLDERS' EQUITY	86,127	82,458

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 196,780	$ 188,740

The accompanying notes are an integral part of these consolidated statements.

WSO Investments, Inc.

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

Quarters ended November 27, 2020 and November 29, 2019
(in 000's)

	November 27, 2020	November 29, 2019
Sales	$ 54,375	$ 49,265
Less discounts, returns and allowance	1,955	2,521
Net sales	52,420	46,744
Cost of goods sold	39,979	39,397
Gross profit	12,441	7,347
Selling and general and administrative expenses		
Selling	892	523
General and administrative	3,383	3,126
Depreciation and amortization	1,584	1,664
Operating income	6,582	2,034
Other income	62	-
Interest expense, net	1,761	2,072
Income (loss) before taxes	4,883	(38)
Provision for income taxes	1,214	10
NET INCOME (LOSS)	$ 3,669	$ (48)

The accompanying notes are an integral part of these consolidated statements.

WSO Investments, Inc.

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Quarters ended November 27, 2020 and November 29, 2019
(in 000's)

	Common stock											
	Class A Shares		Class B		Class C		Treasury stock		Purchase warrant	Paid-in capital	Retained	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	amount	amount	deficit	equity
Balance, August 30, 2019	1.87	$ -	900	$ -	-	$ -	0.16	$ (10,169)	124	$ 98,844	$ (8,153)	$ 80,646
Repurchase of Class A shares	(0.03)	-	-	-	-	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	-	-	-	-	-	(48)	(48)
Balance, November 29, 2019	1.84	$ -	900	$ -	-	$ -	0.16	$ (10,169)	$ 124	$ 98,844	$ (8,201)	$ 80,598
Balance, August 28, 2020	1.84	$ -	900	$ -	-	$ -	0.16	$ (10,169)	$ 124	$ 98,844	$ (6,341)	$ 82,458
Net income	-	-	-	-	-	-	-	-	-	-	3,669	3,669
Balance, November 27, 2020	1.84	$ -	900	$ -	-	$ -	0.16	$ (10,169)	$ 124	$ 98,844	$ (2,672)	$ 86,127

The accompanying notes are an integral part of these consolidated statements.

WSO Investments, Inc.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

Quarters ended November 27, 2020 and November 29, 2019
(in 000's)

	November 27, 2020	November 29, 2019
Cash flows from operating activities:		
Net income (loss)	$ 3,669	$ (48)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	226	306
Amortization of intangibles	1,358	1,358
Amortization of debt issuance costs	189	147
Amortization of long term asset	38	39
Deferred income taxes	(499)	(14)
Deferred rent expense	(176)	(25)
Bad debt recovery (expense)	(81)	14
Paid in kind interest	714	533
(Increase) decrease in:		
Accounts receivable	(1,601)	(2,293)
Refundable income taxes	-	70
Inventories	(7,518)	11,366
Prepaid expenses and other	80	(61)
(Decrease) increase in:		
Accounts payable	181	(6,068)
Income taxes payable	1,698	-
Accrued expenses	703	(1,728)
Accrued interest	(254)	817
Net cash (used in) provided by operating activities	(1,273)	4,413
Cash flows from investing activities:		
Investment in WS Services, LLC	(189)	-
Purchase of property and equipment	(347)	(38)
Net cash used in investing activities	(536)	(38)
Cash flows from financing activities:		
Borrowings (payments) on revolving credit agreement, net	1,800	(4,380)
Net cash provided by (used in) financing activities	1,800	(4,380)
NET DECREASE IN CASH	(9)	(5)
Cash, beginning of year	247	438
Cash, end of year	$ 238	$ 433
Supplemental disclosures of cash flow information:		
Income taxes paid	$ 19	$ -
Interest paid	$ 1,079	$ 442

The accompanying notes are an integral part of these consolidated statements.

WSO Investments, Inc.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

November 27, 2020 and November 29, 2019
($ in thousands)

NOTE A - BUSINESS AND ORGANIZATION

WSO Investments, Inc. ("WSO"), a Delaware Corporation, was formed in April 2012 to acquire all of the equity of Wholesome Sweeteners, Inc. ("Wholesome"), a Delaware Corporation. Wholesome was formed by Edward Billington & Son, Ltd. ("Billington") and Imperial Sugar Company ("Imperial") in June 2001 to import, market, distribute, and sell organic sugars, unrefined specialty sugars, and related products. Operations began on July 1, 2001. On November 23, 2015, Wholesome acquired 100% of the issued and outstanding units of TruSweets, LLC ("TruSweets"), a producer of organic and all natural candy and related products based in the United States. WSO, Wholesome and TruSweets are collectively referred to as the Company.

In the fourth quarter of fiscal year 2019, the Company made the decision to discontinue operations of its candy segment of the business. The results of the candy segment are not considered material and as such, have not been presented separately on the consolidated balance sheets, statements of operations or cash flows as of November 27, 2020 and November 29, 2019 and for the quarters then ended.

In December 2019 the Company entered into a partnership agreement with Sucro Can International, LLC ("Sucro") to form WS Services, LLC ("WS Services"). As of November 27, 2020 the Company had a 50% interest in the partnership. The investment is accounted for using the equity method in the consolidated balance sheets.

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally and the financial markets have experienced significant volatility as a result. Although it is not possible to reliably estimate the length or severity of this outbreak and the resulting financial impact, the Company may be adversely affected by the risks and market uncertainty related to the recent outbreak. Further, as a result of COVID-19 there have been travel restrictions and closures mandated by federal, state and local authorities which could negatively impact the Company's operations. While the extent of the impact of COVID-19 on the Company's operational and financial performance is uncertain, the Company does not anticipate any resulting negative impacts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and related notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. The Company maintains its accounts on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accounting principles followed by the Company and the methods of applying those principles, which can materially affect the determination of financial position, results of operations and cash flows are summarized as follows:

Principles of Consolidation

The consolidated financial statements include WSO Investments, Inc., Wholesome Sweeteners, Inc., and TruSweets, LLC (collectively, the "Company"). All significant intercompany accounts and transactions have been eliminated in consolidation. The Company accounts for investments over which it has significant influence but not a controlling financial interest using the equity method of accounting.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ significantly from those estimates.

Fiscal Year-End

The Company has adopted a fifty-two/fifty-three week fiscal year. Accordingly, the Company's results of operations and cash flows are for the quarters ended November 27, 2020 and November 29, 2019.

Cash

The Company defines cash as cash on deposit and short-term highly liquid investments with an original maturity at the date of purchase of three months or less to be cash.

Accounts Receivable

Accounts receivable is recorded net of the allowance for doubtful accounts. The allowance for doubtful accounts is an estimate based on a review of the customer accounts with consideration given to historical performance, trends, and credit exposure.

Inventories

Inventories consist primarily of finished goods and are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out ("FIFO") method.

Property and Equipment

Property and equipment is recorded at cost. Ordinary maintenance and repairs are charged to expense as incurred. Expenditures that extend the physical or economic life of the assets are capitalized and depreciated. Gains or losses on the disposition of assets sold or retired are recognized in income and the related asset and accumulated depreciation accounts are adjusted accordingly. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the respective assets. Computer equipment and software and motor vehicles have a three year estimated useful life, plant and equipment has a ten year estimated useful life, office equipment has a five year useful life, and office furniture has a five to seven year useful life. Leasehold improvements are depreciated over their useful lives or the term of the lease, whichever is shorter.

Equity Method Investment

In December 2019, WSI entered into a partnership agreement with Sucro Can International, LLC to form WS Services, LLC with the purpose to manage and operate a bonded warehouse located in Lackawanna, New York. As of November 27, 2020, the Company had a 50% interest in the partnership.

The Company accounts for its investment in its unconsolidated affiliate, which we do not control but have the ability to exercise significant influence over, using the equity method investment. Under this method, the investment is recorded at acquisition cost, increased by our proportionate share of earnings and additional capital contributions and decreased by our proportionate share of any losses and distributions received.

Intangible Assets and Goodwill

Assets acquired and liabilities assumed in a business acquisition are recorded at fair value on the date of the acquisition. Purchase consideration in excess of the aggregate fair value of acquired net assets is allocated to identifiable intangible assets and any remaining excess purchase consideration is allocated to goodwill. The total amount of goodwill arising from an acquisition may be assigned to one or more reporting units in situations where the acquired business consists of multiple operating segments. The method of assigning goodwill to reporting units shall be reasonable and supportable and applied in a consistent manner and may involve estimates and assumptions.

($ in thousands)

Impairment testing is performed annually or upon the occurrence of a triggering event indicating that the fair value of the entity might be less than its carrying amount. When a triggering event occurs, an entity has the option to perform a qualitative assessment to determine whether a quantitative test is needed. If that assessment demonstrates it is not more likely than not that impairment exists, no further testing is required. On the other hand, if impairment of goodwill is more likely than not, a quantitative test is required that compares the fair value of the entity with its carrying amount.

The estimated useful life to amortize intangible assets is as follows:

Customer relationships - ingredient	12 years
Customer relationships - retail	15 years
Trade names	20 years
Non-compete	4 years

Debt Issuance Costs

Deferred financing costs are amortized on a straight-line basis over the term of the related debt, which approximates the effective interest method. Unamortized debt issuance costs are shown as a reduction of long-term debt.

Impairment of Long-Lived Assets

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset or its disposition. Measurements of an impairment loss for long-lived assets that management expects to hold and use are based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less cost to sell

Fair Value of Financial Instruments

The carrying value of cash, accounts receivable, accounts payable, and other current liabilities approximates fair value due to their short-term maturities. The carrying value of the Company's line of credit approximates fair value due to the stated interest rates approximating market rates.

Commitments and Contingencies

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

As of November 27, 2020, the Company had obligations to purchase $30,446 of raw materials through October 2021 however it is unable to make reasonably reliable estimates of the timing of such payments.

Revenue Recognition

On September 1, 2018, the Company adopted Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers,* using the modified retrospective method. The adoption was made on all contracts with customers that are not complete at the date of initial application. The Company's adoption of ASC 606 did not result in an adjustment to the opening balance of retained earnings as of September 1, 2018 but it increased disclosure requirements with respect to its revenues from contracts with customers.

Application of ASC 606

The Company accounts for a contract or purchase order when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company's contracts with customers generally represent a single performance obligation related to the fulfillment of customer orders for the purchase of its products, which include organic sugars, unrefined specialty sugars, and related products as well as organic and all natural candy and related products. While unit prices are generally fixed, the Company provides variable consideration to customers, typically in the form of early payment discounts and promotional discounts which are estimated using the most likely and expected value methods of estimation, respectively, as defined within ASC 606. Such discounts are recorded as a reduction of revenue at the time revenue is recorded. The Company also accepts returns from customers for goods having quality defects or for any other reasons such as disagreements or improper delivery. When revenue is recorded, estimates of returns are made based on historical return information and recorded as a reduction of revenue. Under ASC 606, the Company is also required to present a refund liability and a return asset within the consolidated financial statements to account for the customer's right of return. There have been no significant refund liabilities and return assets recorded as of November 27, 2020 and November 29, 2019.

Revenues for all product sales are recognized at a point in time when control of the product passes to the customer, which is upon shipment, unless otherwise specified within the customer contract or on the purchase order as upon delivery. This determination is based on applicable shipping terms, as well as the consideration of other indicators, including timing of when the Company has a present right to payment, when physical possession of products is transferred to customers, when the customer has the significant risks and rewards of ownership of the asset, and any provisions in contracts regarding customer acceptance.

($ in thousands)

Practical Expedients and Policy Elections

The Company elected certain permitted practical expedients and made accounting policy elections upon adoption of ASC 606:

1. The Company elected to use the portfolio approach practical expedient in applying ASC 606. Such expedient allows the Company to apply ASC 606 to a portfolio of contracts with similar characteristics as it reasonably expects that the effects on the consolidated financial statements of applying ASC 606 to the portfolio would not differ materially from applying this guidance to the individual contracts within that portfolio.

2. The Company's contracts with customers generally contain payment terms ranging from cash before delivery to 60 days. Since the standard payment term is less than one year, the Company elected the practical expedient to not assess whether a contract has a significant financing component.

3. The Company’s contracts are of durations that are less than one year. Accordingly, the Company elected the practical expedient of recognizing incremental costs of obtaining contracts (i.e. commissions) as an expense when incurred if the amortization period of the assets the Company otherwise would have recognized is one year or less.

4. The Company made an accounting policy election to account for shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment activity, rather than a separate performance obligation.

Disaggregation of Revenues

The Company’s revenues by type of customer for the quarters ended November 27, 2020 and November 29, 2019 are as follows:

	Q1 2021	Q1 2020
Ingredients	$ 11,323	$ 11,421
Private label	26,853	21,793
Branded	16,199	16,051
Total sales	54,375	49,265
Discount, returns and allowances	1,955	2,521
Net sales	$ 52,420	$ 46,744

Advertising

Consumer targeted advertising costs, which are included in selling expenses, are expensed as incurred and were $397 and $77 for the quarters ended November 27, 2020 and November 29, 2019, respectively.

Sales Incentives

Certain sales incentives, which include customer promotional activities such as off invoice promotions and early payment discounts, are recorded as reductions of sales at the time revenue is recognized. Such allowances, where applicable, are estimated based on the anticipated volume and promotional spending with specific customers. Sales incentives incurred were $1,562 and $1,642 for the quarters ended November 27, 2020 and November 29, 2019, respectively.

Share-Based Compensation

The Company accounts for share-based compensation from its incentive units in accordance with ASC 718,Compensation – Stock Compensation, which requires that share-based payment awards be recognized in the statement of income at grant-date fair value. For awards of incentive units, we recognize compensation expense over the vesting period, 5 years or immediately upon a change in control, based on the grant-date fair value.

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be due. Uncertain tax positions are recognized only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. The Company classifies both interest and penalties, if any, related to unrecognized tax benefits as income tax expense on the consolidated statements of operations. As of November 27, 2020 and November 29, 2019, the Company recognized no uncertain tax positions.

The Company’s effective tax rate was 24.8% for the quarter ended November 27, 2020 and 27.3% for the quarter ended November 29, 2019.

Treasury Stock

The Company uses the cost method to record treasury stock purchases whereby the entire cost of the acquired shares of the common stock is recorded as treasury stock (at cost). When the Company subsequently reissues these shares, proceeds in excess of cost upon the issuance of treasury shares are credited to additional paid in capital, while any deficiency is charged to retained earnings.

($ in thousands)

Evaluation of Going Concern

The Company performed an evaluation of its ability to continue as a going concern within one year after the date the consolidated financial statements were available to be issued. No going concern issues were identified.

New Accounting Pronouncements

In February 2016, the FASB issued its new lease accounting guidance in ASU 2016-02, Leases (Topic 842). Under the new guidance, lessees will be required to recognize for all leases (with the exception of short-term leases) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new standard is effective for annual periods beginning after December 15, 2021. The Company is currently evaluating the impact of the adoption of this ASU to the Company's consolidated financial statements and related disclosures.

Subsequent Events

Subsequent events are evaluated through March 16, 2021, the date the financial statements were available to be issued.

NOTE C - INTANGIBLE ASSETS

A summary of intangible assets is as follows:

	November 27, 2020		
	Gross carrying amount	Accumulated amortization	Net carrying value
Customer relationships - ingredient	$ 18,500	$ 13,361	$ 5,139
Customer relationships - retail	46,400	26,809	19,591
Trade names	15,777	6,749	9,028
Non-compete	2,000	2,000	-
Domain name	7	2	5
Total intangible assets	$ 82,684	$ 48,921	$ 33,763

Aggregate intangible amortization expense was $1,358 for each of the quarters ended November 27, 2020 and November 29, 2019.

Estimated aggregate amortization expense of intangible assets for the next five years is as follows:

Fiscal Year	Amount
2021	$ 5,432
2022	5,432
2023	5,432
2024	4,790
2025	3,891
	$ 24,977

NOTE D - LONG TERM DEBT

Subordinated Convertible Promissory Note

On October 26, 2018, the Company entered into an $8,000 Subordinated Convertible Promissory Note with one of its largest indirect shareholders which is secured by the Company's outstanding Class B shares. The initial draw on the note was $4,100. The note accrues interest at a rate of 12.0%. Interest is accrued and added to the principal amount of the note monthly. The note matures on October 26, 2023 or earlier if certain conditions occur.

On March 1, 2019, the Company modified the $8,000 Subordinated Convertible Promissory Note to increase the amount available to $10,000.

On August 21, 2019, the Company made a second draw of $2,000.

At any time prior to the maturity date, the majority noteholder on behalf of all noteholders, may elect to convert all or any portion of the then outstanding principal and interest into shares of Class C common stock of the Company. Immediately following any conversion, the Class C shares may be exchanged for an equal value of equity interest in WSO Holdings, LP. The number of Class C shares received on conversion is dependent on the converted balance divided by an equity valuation of $28,988,000. As of November 27 2020, none of the principal or interest had been converted.

For the quarters ended November 27, 2020 and November 29, 2019 accrued interest expense was $154 and $202.

($ in thousands)

Revolving Credit Note and Term Loan

On August 21, 2019 the Company entered into a revolving credit note which provided for up to $75,000 (subject to the borrowing base) of senior secured revolving credit loans and letters of credit and has a first priority perfected security interest in substantially all assets, including but not limited to all receivables, equipment and fixtures, and inventory. The note expires on August 21, 2024. Interest on advances are payable on the first business day of each month with respect to domestic rate loans and the end of the interest period for LIBOR rate loans. There are no principal payments required during the term of the note. As of November 27, 2020 and November 29, 2019 there was $12,157 and $9,806 of availability and no letters of credit associated with the note. Interest expense was $215 and $420 for the quarters ended November 27, 2020 and November 29, 2019.

On August 21, 2019 the Company entered into a $36,000 term loan which expires February 21, 2025 and has a standard second lien inter-creditor agreement with the holders of the senior secured revolving credit loans and letters of credit. The loan requires quarterly interest payments at a rate equal to the LIBOR rate plus applicable margin, plus the capitalized interest ("PIK") rate. Interest payable at the PIK rate is capitalized into the term note quarterly. Remaining interest is paid in cash. There are no principal payments required during the term of the loan. Interest expense was $1,217 and $1,276 for the quarters ended November 27, 2020 and November 29, 2019.

	November 27, 2020
Long-term debt consists of:	
Subordinated debt	$ 7,428
Term loan	37,997
Revolving credit loans	39,300
Total long-term debt	84,725
Less: Debt issuance costs	(2,822)
Total long-term debt, net	$ 81,903

NOTE E - COMMON STOCK

WSO was formed in April 2012 with 1,100 shares of $0.01 par value common stock authorized of which 100 shares were designated Class A and 1,000 shares were designated Class B. In August 2019 the Company amended the Certificate of Incorporation to have authorized 1,800 total shares of $0.01 par value common stock of which 100 shares are designated Class A, 1,600 shares are Class B, and 100 shares are Class C. As of November 27, 2020 and November 29, 2019 there were 1.84 shares of Class A, 900 shares of Class B and no shares of Class C outstanding.

On August 21, 2019 in connection with the term loan described in Note D, the Company issued warrants exercisable into Class C Common Stock equivalent. The number of Class C shares available to be issued is dependent on the Company's adjusted EBITDA as defined in the Term Loan Agreement for the year ended August 28, 2020. As the adjusted EBITDA was over $14,000 for the year ended August 28, 2020, the warrants are exercisable into 0.091041 shares. The purchase price per share of the Class C Common Stock is $0.01. The option to exercise the warrants expires on August 21, 2029.

NOTE F - RELATED-PARTY TRANSACTIONS

As described in Notes D and E in August 2019 the Company entered into new term loan and warrant agreements. An officer and employee of the Company has a 1.389% of the total term loan commitment. This is included in long-term debt and equity in the consolidated balance sheets. For the quarters ended November 27, 2020 and November 29, 2019 the Company paid the employee $13 and 4 respectively for interest related to the note.

As discussed in Note A, in December 2019 the Company entered into a partnership agreement with Sucro to form WS Services. As of November 27, 2020 the Company had a 50% interest in the partnership. For the quarter ended November 27, 2020 the Company contributed $189 to the partnership. The Company utilized a WS Services warehouse for storage of raw materials. During the quarter ended November 27, 2020 the Company expensed $136.

For the quarters ended November 27, 2020 and November 29, 2019, the Company purchased $1,796 and $10,444 respectively of sugar from Sucro, the Company's partner in WS Services. As of November 27, 2020 had an accounts payable balance of $2,209. For the quarter ended November 29, 2019 Sucro purchased $366 of sugar from the Company.

NOTE G - SUBSEQUENT EVENTS

On December 17, 2020 the Company entered into a Stock Purchase Agreement ("SPA") to sell all the issued and outstanding capital stock of WSO to Whole Earth Brands, Inc., a global food company for $180,000 which is subject to customary closing adjustments. The transaction closed February 5, 2021. In connection with this transaction the debt discussed in Note D was retired and the warrants discussed in Note E were not exercised and were retired. Additionally, the Company's outstanding incentive units vested immediately upon close of the transaction and unit holders received $10,670 which is subject to customary closing adjustments.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On June 24, 2020, Act II Global Acquisition Corp., a Cayman Islands exempted company ("Act II"), domesticated into a Delaware corporation (the "Domestication"), and on June 25, 2020, consummated the indirect acquisition (the "Act II Acquisition") of (i) all of the issued and outstanding equity interests of Merisant Company ("Merisant"), Merisant Luxembourg Sarl ("Merisant Luxembourg"), Mafco Worldwide LLC ("Mafco Worldwide"), Mafco Shanghai LLC ("Mafco Shanghai"), EVD Holdings LLC ("EVD Holdings"), and Mafco Deutschland GmbH (together with Merisant, Merisant Luxembourg, Mafco Worldwide, Mafco Shanghai, and EVD Holdings, and their respective direct and indirect subsidiaries, "Merisant and Mafco Worldwide"), and (ii) certain assets and liabilities of Merisant and Mafco Worldwide included in the Transferred Assets and Liabilities (as defined in the Act II Purchase Agreement (as hereafter defined)), from Flavors Holdings Inc. ("Flavors Holdings"), MW Holdings I LLC ("MW Holdings I"), MW Holdings III LLC ("MW Holdings III"), and Mafco Foreign Holdings, Inc. ("Mafco Foreign Holdings," and together with Flavors Holdings, MW Holdings I, and MW Holdings III, the "Sellers"), pursuant to that certain Purchase Agreement (the "Act II Purchase Agreement") entered into by and among Act II and the Sellers dated as of December 19, 2019, as amended. In connection with the Domestication, Act II changed its name to "Whole Earth Brands, Inc." ("Whole Earth Brands" or the "Company"). Refer to the definitive proxy statement/prospectus filed with the Securities and Exchange Commission ("SEC") by Act II on May 13, 2020 (the "Proxy Statement/Prospectus") and the supplement thereto filed by Act II on June 18, 2020 (the "Supplement") as well as the Current Report on Form 8-K12B and related Form 8-K12B/A (collectively, the "Super 8-K") filed with the SEC by the Company on June 30, 2020 and the Company's Form 10-K filed on March 16, 2021 for further details.

As a result of the Act II Acquisition, for accounting purposes, Act II was deemed to be the acquirer and Merisant and Mafco Worldwide were deemed to be the acquired parties and, collectively, the accounting predecessor. The Company's financial statement presentation includes the combined financial statements of Merisant and Mafco Worldwide as the "Predecessor" for periods prior to the completion of the Act II Acquisition and includes the consolidation of Merisant and Mafco Worldwide, for periods after June 25, 2020 (referred to as the "Successor").

On November 10, 2020, Whole Earth Brands executed and closed a definitive Equity Purchase Agreement (the "Swerve Purchase Agreement") with RF Development, LLC ("RF Development"), Swerve, L.L.C. ("Swerve LLC"), and Swerve IP, L.L.C. ("Swerve IP" and together with Swerve LLC, "Swerve"). Upon the terms and subject to the conditions set forth in the Swerve Purchase Agreement, Whole Earth Brands purchased all of the issued and outstanding equity interests of both Swerve LLC and Swerve IP from RF Development, and both Swerve LLC and Swerve IP became wholly-owned subsidiaries of Whole Earth Brands (the "Swerve Acquisition"). The $80.0 million purchase price for the Swerve Acquisition was funded through a combination of available cash on hand and approximately $47.9 million under the Company's $50.0 million revolving loan facility.

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

On February 5, 2021, pursuant to the terms of the Wholesome Purchase Agreement, (i) the Company (acting through its direct wholly-owned subsidiary, Project Taste Intermediate LLC, as its designee) purchased and acquired all of the issued and outstanding shares of capital stock for an initial cash purchase price of $180 million (subject to customary post-closing adjustments) plus up to an additional $55 million (the "Earn-Out Amount") upon the satisfaction of certain post-closing financial metrics by Wholesome (the "Wholesome Transaction").

Additionally, in connection with the closing of the Wholesome Transaction, on February 5, 2021, the Company and certain of its subsidiaries entered into an amendment and restatement agreement (the "Amendment Agreement"), which amended and restated its existing senior secured loan agreement (the "Existing Credit Agreement") dated as of June 25, 2020 (as amended by the Amendment Agreement, the "Amended and Restated Credit Agreement").

The Amended and Restated Credit Agreement provides for senior secured financing consisting of the following credit facilities: (a) a senior secured term loan facility in the aggregate principal amount of $375 million (the "Term Loan Facility"); and (b) a revolving credit facility in an aggregate principal amount of up to $75 million (the "Revolving Facility," and together with the Term Loan Facility, the "Credit Facilities"). The Company used the proceeds under the Term Loan Facility to (i) repay and refinance existing indebtedness of the Target; (ii) pay the cash consideration for the Wholesome Transaction; (iii) repay and refinance outstanding borrowings under the Existing Credit Agreement; and (iv) pay fees and expenses incurred in connection with the foregoing. The proceeds of the Revolving Facility can be used to finance working capital needs, for general corporate purposes, and for working capital adjustments payable under the Wholesome Purchase Agreement.

For purposes of the unaudited pro forma condensed combined financial information, the Act II Acquisition, Swerve Acquisition, and Wholesome Transaction will be collectively referred to as the "Transactions".

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses.

The unaudited pro forma adjustments represent management's estimates based on information available as of the date of these unaudited pro forma condensed combined financial statements and are subject to change as additional information becomes available and analyses are performed. However, management believes that the assumptions provide a reasonable basis for presenting the significant effects of the Transactions as contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information. The transaction accounting adjustments are intended to represent the necessary adjustments to account for the Transactions.

The following unaudited pro forma condensed combined financial information presents the combination of the historical financial statements of Merisant and Mafco Worldwide, the historical financial statements of Act II, the historical financial statements of Swerve and the historical financial statements of WSO Investments after giving effect to the Transactions.

The unaudited pro forma financial information is intended to reflect the consummation of:

(1) Act II's indirect acquisition of Merisant and Mafco Worldwide
(2) The Company's acquisition of Swerve
(3) The Company's acquisition of Wholesome
(4) The Amended and Restated Credit Agreement

The unaudited pro forma condensed combined balance sheet assumes the Wholesome Transaction took place on December 31, 2020 and combines the Company's audited balance sheet as of December 31, 2020 with Wholesome's unaudited balance sheet as of November 27, 2020.

The unaudited pro forma condensed combined statements of operations for the fiscal year ended December 31, 2020 combine the historical financial statements of Merisant and Mafco Worldwide, Act II and Swerve and the unaudited results of operations of Wholesome for the four quarters ended November 27, 2020. Wholesome had an August 28, 2020 fiscal year end. The operations for Merisant and Mafco Worldwide, Swerve and Wholesome are included as if they were acquired as of January 1, 2020.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the Company's financial position or results of operations that would have occurred had the events been consummated as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information is not necessarily indicative of the Company's future financial condition or operating results. The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the Transactions.

The unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the historical financial statements of the Company, Swerve, and Wholesome referenced below:

- The Company's audited financial statements as of December 31, 2020 (Successor), for the period from June 26, 2020 through December 31, 2020 (Successor) and for the period from January 1, 2020 through June 25, 2020 (Predecessor) included in the Company's Form 10-K, filed with the SEC on March 16, 2021;
- Swerve's audited combined financial statements and accompanying notes for the year ended December 31, 2019 attached as Exhibit 99.1 to the Company's Current Report on Form 8-K/A filed with the SEC on January 13, 2021;
- Swerve's unaudited combined financial statements as of and for nine months ended September 30, 2020 attached as Exhibit 99.2 to the Company's Current Report on Form 8-K/A filed with the SEC on January 13, 2021;
- Wholesome's audited consolidated financial statements and the accompanying notes for the year ended August 28, 2020 attached as Exhibit 99.1 to the Company's Current Report on Form 8-K/A filed with the SEC on March 26, 2021, to which this Exhibit 99.3 is attached; and
- Wholesome's unaudited consolidated financial statements as of and for the three months ended November 27, 2020 attached as Exhibit 99.2 to the Company's Current Report on Form 8-K/A filed with the SEC on March 26, 2021, to which this Exhibit 99.3 is attached.

The Company, Swerve and Wholesome prepare their financial information in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") with all amounts stated in U.S. dollars ("USD").

Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2020
(In thousands, except share and per share data)

	Whole Earth Brands,Inc. (Historical) 12/31/2020	Wholesome (Historical) 11/27/2020[1]	Wholesome Acquisition Transaction Accounting Adjustments		Debt Financing Transaction Accounting Adjustments		Pro Forma as adjusted
Assets							
Current assets:							
Cash and cash equivalents	$ 16,898	$ 238	$ (190,233)	(a)	$ 201,950	(n)	$ 28,853
Accounts receivable, net	56,423	18,643	—		—		75,066
Inventories	111,699	79,546	1,989	(b)	—		193,234
Prepaid expenses and other current assets	5,045	874	—		—		5,919
Total current assets	190,065	99,301	(188,244)		201,950		303,072
Property and equipment, net	47,285	2,830	—		—		50,115
Other assets:							
Operating lease right-of-use assets	12,193	—	7,545	(c)	—		19,738
Goodwill	153,537	57,149	22,658	(d)	—		233,344
Other intangible assets, net	184,527	33,763	72,637	(e)	—		290,927
Deferred tax assets, net	2,671	—	—		—		2,671
Other assets	6,260	3,737	(2,417)	(f)	543	(o)	8,123
Total assets	$ 596,538	$ 196,780	$ (87,821)		$ 202,493		$ 907,990
Liabilities and Stockholders' equity							
Current liabilities:							
Accounts payable	$ 25,200	$ 9,208	$ —		$ —		$ 34,408
Accrued expenses and other current liabilities	29,029	13,101	52,505	(g)	(1,021)	(p)	93,614
Current portion of operating lease liabilities	3,623	—	1,438	(h)	—		5,061
Current portion of long-term debt	7,000	—	—		(4,188)	(q)	2,812
Total current liabilities	64,852	22,309	53,943		(5,209)		135,895
Non-Current Liabilities:							
Long-term debt	172,662	81,903	(81,903)	(i)	213,329	(r)	385,991
Deferred tax liabilities, net	23,297	5,437	21,163	(j)	—		49,897
Operating lease liabilities, less current portion	11,324	—	6,107	(k)	—		17,431
Other liabilities	15,557	1,004	(1,004)	(l)	—		15,557
Total liabilities	$ 287,692	$ 110,653	$ (1,694)		$ 208,120		$ 604,771
Commitments and contingencies							
Stockholders' Equity							
Preferred shares, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—	—		—		—
Common stock, $0.0001 par value; 220,000,000 shares authorized; 38,426,669 shares issued and outstanding	4	(10,169)	10,169	(m)	—		4
Additional paid-in capital	325,679	98,968	(98,968)	(m)	—		325,679
(Accumulated deficit) retained earnings	(25,442)	(2,672)	2,672	(m)	(5,627)	(s)	(31,069)
Accumulated other comprehensive income	8,605	—	—		—		8,605

Total stockholders' equity	308,846	86,127	(86,127)	(5,627)	303,219
Total liabilities and stockholders' equity	$ 596,538	$ 196,780	$ (87,821)	$ 202,493	$ 907,990

[1] Refer to Note 3 – Reclassifications for additional details regarding reclassifications to conform to Whole Earth Brands presentation.

See notes to unaudited pro formacondensed combined financial statements.

Unaudited Pro Forma Condensed Combined Statements of Operations
For the Year Ended December 31, 2020
(In thousands, except share and per share data)

	Whole Earth Brands (Historical) For the twelve month period ended 12/31/20	Act II for the period ended 6/25/20	Act II Acquisition Transaction Accounting Adjustments for the twelve month period ended 12/31/2020	Whole Earth Brands, Inc. As Adjusted 12/31/20	Swerve (Historical) for the period 1/1/20- 11/10/20 (After reclassifications)[1]	Swerve Acquisition Transaction Accounting Adjustments	Whole Earth and Swerve, as Adjusted 12/31/20	Wholesome (Historical) for the period 11/30/19-11/27/20 (After reclassifications)[1]	Wholesome Acquisition Transaction Accounting Adjustments	Debt Financing Transaction Accounting Adjustments	Pro Forma as adjusted
Product revenues, net	$ 275,496	$ —	$ —	$ 275,496	$ 30,814	$ (766) **(e)**	$ 305,544	$ 195,193	$ (1,085) **(k)**	$ —	$ 499,652
Cost of goods sold	179,212	—	(2,982) **(a)**	176,230	19,606	(189) **(f)**	195,647	161,687	3,035 **(l)**	—	360,369
Gross profit	96,284	—	2,982	99,266	11,208	(577)	109,897	33,506	(4,120)	—	139,283
Selling, general and administrative expenses	87,971	105	(97) **(b)**	87,979	27,585	(320) **(g)**	115,244	12,878	13,886 **(m)**	—	142,008
Amortization of intangible assets	10,948	—	(764) **(c)**	10,184	—	1,416 **(h)**	11,600	5,432	2,280 **(n)**	—	19,312
Asset impairment charges	40,600	—	—	40,600	—	—	40,600	—	—	—	40,600
Transaction, restructuring and other, net	1,052	15,755	—	16,807	—	—	16,807	—	—	—	16,807
Operating (loss) income	(44,287)	(15,860)	3,843	(56,304)	(16,377)	(1,673)	(74,354)	15,196	(20,286)	—	(79,444)
Interest (expense) income, net	(4,609)	—	—	(4,609)	(4)	4 **(i)**	(4,609)	(8,093)	8,093 **(o)**	(25,084) **(q)**	(29,693)
Other income (expense), net	223	327	—	550	(44)	—	506	279	—	—	785
(Loss) income before income taxes	(48,673)	(15,533)	3,843	(60,363)	(16,425)	(1,669)	(78,457)	7,382	(12,193)	(25,084)	(108,352)
(Benefit) provision for income taxes	(6,100)	—	(2,896) **(d)**	(8,996)	—	(4,537) **(j)**	(13,533)	1,853	(3,048) **(p)**	(6,213) **(r)**	(20,941)
Net (loss) income	$ (42,573)	$ (15,533)	$ 6,739	$ (51,367)	$ (16,425)	$ 2,868	$ (64,924)	$ 5,529	$ (9,145)	$ (18,871)	$ (87,411)
Pro Forma Earnings Per Share - Basic and Diluted										**(s)**	$ (2.27)
Pro Forma Weighted Average Shares Outstanding - Basic and Diluted										**(s)**	38,426,669

[1] Refer to Note 3 – Reclassifications for additional details regarding reclassifications to conform to Whole Earth Brands presentation.

See notes to unaudited pro formacondensed combined financial statements.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Note 1 - Basis of Presentation

The unaudited pro formacondensed combined financial information was prepared using the acquisition method of accounting under the provisions of Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") Topic 805, Business Combinations ("ASC 805"). The acquisition method of accounting requires use of the fair value concepts defined in ASC 820, *Fair Value Measurement* ("ASC 820"). ASC 820 defines fair value as "the price 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 can be highly subjective, and it is possible the application of reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

ASC 805 requires the determination of the accounting acquirer, the acquisition date, the fair value of assets acquired and liabilities assumed and the measurement of goodwill. The Company has been identified as the acquirer for accounting purposes based on the facts and circumstances specific to the Wholesome Transaction. As a result, the Company will record the business combination in its financial statements and will apply the acquisition method to account for the acquired assets and liabilities assumed from Wholesome. Applying the acquisition method includes recording the identifiable assets acquired and liabilities assumed at their fair values, measured as of the acquisition date, and recording goodwill for the excess of the consideration transferred over the aggregate fair value of the identifiable assets acquired and liabilities assumed. For purposes of the unaudited pro forma condensed combined financial information, the fair values of Wholesome's identifiable assets acquired and liabilities assumed were based on preliminary estimates. The final determination of the fair values of assets acquired and liabilities assumed could result in material changes to the amounts presented in the unaudited pro forma condensed combined financial information and future results of operations and financial position.

During the preparation of the unaudited pro formacondensed combined financial information, management performed an initial review of the accounting policies and presentation of financial information of the Company and Wholesome to determine if differences in accounting policies and presentation require adjustment. During the respective measurement periods, a full and detailed review of accounting policies will be performed and as a result of that review, additional differences between the accounting policies of the companies may be identified that, when confirmed, could have a material impact on the consolidated financial statements of the combined company.

There were no transactions between the Company and Wholesome during the periods presented that would require elimination.

Note 2 – Conforming Accounting Policies

The unaudited pro forma condensed combined financial information reflects adjustments to conform Wholesome and Swerve's results to Whole Earth Brands' accounting policies including to align with the Company's policy of accounting for leases under ASC 842 as well as certain reclassifications between revenues, cost of goods sold and selling, general and administrative expenses.

***Note 3 –* Reclassifications**

Certain reclassification adjustments have been made to conform Wholesome's financial statement presentation to the Company's financial statement presentation.

Balance sheet reclassifications – The reclassification adjustments to conform Wholesome's balance sheet presentation to the Company's balance sheet presentation have no impact on net assets and are summarized below (in thousands):

As of November 27, 2020

	Wholesome (Historical)	Reclassifications to conform to Whole Earth Brands' presentation	Wholesome (Historical, as adjusted)
Other long term assets	$ 514	$ (514)	$ —
Investment in WS Services, LLC	806	(806)	—
Other assets	—	1,320	1,320
Accrued interest	1,054	(1,054)	—
Income taxes payable	2,115	(2,115)	—
Deferred rent	1,004	(1,004)	—
Accrued expenses and other current liabilities	—	3,169	3,169
Other liabilities	—	1,004	1,004
Equity warrants	124	(124)	—
Additional paid-in capital	—	124	124
Treasury stock	(10,169)	10,169	—
Common stock	—	(10,169)	(10,169)

Income statement reclassifications – The reclassification adjustments to conform Swerve's and Wholesome's combined statements of income presentation to the Company's income statement presentation have no impact on net income and are summarized below (in thousands):

For the Wholesome twelve months ended November 27, 2020

	Wholesome (Historical)	Reclassifications to conform to Whole Earth Brands' presentation	Wholesome (Historical, as adjusted)
Product revenues, net	$ 204,035	$ (8,842)	$ 195,193
Discounts, returns, and allowance	(8,842)	8,842	—
Selling	4,374	(4,374)	—
General and administrative	7,550	(7,550)	—
Depreciation and amortization	6,386	(6,386)	—
Amortization of intangible assets	—	5,432	5,432
Selling, general and administrative expenses	—	12,878	12,878

For the Swerve Period Ended November 10, 2020

	Swerve (Historical)	Reclassifications to conform to Whole Earth Brands' presentation	Swerve (Historical, as adjusted)
Sales and marketing expenses	$ 4,001	$ (4,001)	$ —
Other operating expenses	2,480	(2,480)	—
Non-operating expenses, net	21,153	(21,153)	—
Selling, general, and administrative expenses	—	27,590	27,590
Other (expense) income, net	—	(44)	(44)
Interest income (expense), net	—	(4)	(4)

Note 4 - Preliminary Purchase Price Allocation

The total purchase consideration for the Wholesome Transaction has been allocated to the assets acquired and liabilities assumed for purposes of the unaudited pro forma condensed combined financial information based on their estimated fair values at the acquisition date. The final allocation of the purchase consideration for the Wholesome Transaction will be determined after the completion of a thorough analysis to determine the fair value of all assets acquired and liabilities assumed, but in no event, later than one year following the completion of the Wholesome Transaction.

Total estimated fair value of consideration transferred (in thousands):

Initial cash purchase price	$ 180,000
Estimated closing adjustment	10,233
Fair Value of Earn-Out Amount[1]	52,086
Estimated purchase price	$ 242,319

[1] Subject to the terms and conditions of the Wholesome Purchase Agreement payment of the Earn-Out Amount, in whole or in part, is subject to Wholesome achieving certain EBITDA thresholds at or above approximately $30 million during the period beginning August 29, 2020, and ending December 31, 2021. A portion of the Earn-Out Amount (up to $27.5 million) may be paid, at the Company's election, in freely tradeable, registered shares of Company common stock.

The table below summarizes the preliminary calculation of purchase consideration and allocation of purchase price to the assets acquired and liabilities assumed, as if the acquisition had been completed on December 31, 2020. The allocation has not been finalized. Accordingly, the pro forma adjustments to allocate the purchase consideration will remain preliminary until management finalizes the fair values of assets acquired and liabilities assumed. The final amounts allocated to assets acquired and liabilities assumed are dependent upon certain valuations and other studies that have not yet been completed, and as previously stated could differ materially from the amounts presented in the unaudited pro forma condensed combined financial statements.

The preliminary purchase price allocation is presented below (in thousands):

Cash and cash equivalents	$	238
Accounts receivable, net		18,643
Inventories		81,535
Operating lease right-of-use assets		7,545
Prepaid expenses and other current assets		874
Property, plant and equipment, net		2,830
Other intangible assets, net		106,400
Other assets		1,320
Total assets acquired		219,385
Accounts payable		9,208
Current portion of operating lease liabilities		1,438
Accrued expenses and other current liabilities		13,520
Operating lease liabilities, less current portion		6,107
Deferred tax liabilities, net		26,600
Total liabilities assumed		56,873
Net assets acquired		162,512
Goodwill	$	79,807

Any increase or decrease in the fair value of the net assets acquired, as compared to the information shown herein, could also change the portion of the purchase consideration allocable to goodwill and could impact the operating results of the Company following the Wholesome Transaction due to differences in the allocation of the purchase consideration, and changes in the depreciation and amortization related to some of these assets and liabilities.

Note 5 - Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet

(a) Represents the net adjustment of $190,233 thousand to cash and cash equivalents to reflect the cash payment to acquire Wholesome.

(b) Represents an adjustment of $1,989 thousand to inventories to reflect Wholesome's inventory at estimated fair value (see Note 4 - Preliminary Purchase Price Allocation).

(c) Represents an adjustment of $7,545 thousand to operating lease right-of-use assets to record the recognition of a right-of-use asset in connection with Wholesome's adoption of ASC 842.

(d) Represents an adjustment of $22,658 thousand to goodwill based on the preliminary purchase price allocation (see Note 4 - Preliminary Purchase Price Allocation).

(e) Represents the net adjustment to other intangible assets, net to account for the change from Wholesome's historical net book value of intangible assets to the preliminary estimated fair value calculated as follows (in thousands):

		Historical Wholesome Book Value		Estimated Preliminary Fair Value		Pro Forma Adjustment	Estimated Remaining Useful Life (years)
Customer Relationships	$	24,730	$	57,600	$	32,870	10
Trade Names and Trademark		8,613		48,800		40,187	25
Other intangibles not acquired in the transaction		420		-		(420)	
Total Intangible Assets	$	33,763	$	106,400	$	72,637	

(f) Represents an adjustment of $(2,417) thousand to other assets to eliminate the intercompany balance that is not transferred with the Wholesome Transaction.

(g) Represents the net adjustment to accrued expenses and other current liabilities to record a liability related to the fair value of the Earn-out Amount contingent consideration resulting from the purchase of Wholesome, to record income taxes payable assumed, to record a transaction bonus payable to Wholesome employees resulting from the acquisition and to remove Wholesome's historical accrued interest as no debt was acquired in the transaction (in thousands):

		Year Ended December 31, 2020
Earn-Out Amount	$	52,086
Transaction Bonus Pool		825
Income tax payable		648
Eliminate Wholesome accrued interest		(1,054)
Net adjustment to accrued expenses and other current liabilities	$	52,505

(h) Represents an adjustment of $1,438 thousand to current portion of operating lease liabilities to record the recognition of the current portion of an operating lease liability in connection with Wholesome's adoption of ASC 842.

(i) Represents an adjustment of $(81,903) thousand to long-term debt to eliminate Wholesome's historical debt balance as it was extinguished in conjunction with the transaction.

(j) Represents the net adjustment of $21,163 thousand to deferred tax liabilities to remove the historical balance and to record the deferred tax liability amount resulting from a basis difference.

(k) Represents the total net adjustment of $6,107 thousand to operating lease liabilities, less current portion to record the recognition of the non-current portion of the operating lease liability and to eliminate Wholesome's deferred rent balancein connection with Wholesome's adoption of ASC 842.

(l) Represents the net adjustment of $(1,004) to other liabilities to eliminate deferred rent recorded under ASC 840 in connection with Wholesome's adoption of ASC 842.

(m) Represents an adjustment to common stock, additional paid-in capital, and (accumulated deficit) retained earnings to eliminate the historical equity of Wholesome.

(n) Represents the net adjustment of $201,950 thousand to cash and cash equivalents to reflect the net cash proceeds of $388,410 thousand received from the issuance of the New Term Loan and New Revolving Credit Facility, net of $1,073 thousand of debt issuance costs; and the payment of (i) $137,084 thousand to repay the Company's Existing Term Loan and (ii) $48,303 thousand to repay the Existing Revolving Credit Facility.

(o) Represents an adjustment of $543 thousand to other assets to record the New Revolving Credit Facility's commitment fees entered into to finance the Wholesome Transaction and remove the unamortized commitment fees related to a lender under the old revolver that exited the credit facilities.

(p) Represents an adjustment of $(1,021) thousand to accrued expenses and other current liabilities to eliminate accrued interest expense on the Company's Original Term Loan and Original Revolving Credit Facility.

(q) Represents the net adjustment to current portion of long-term debt associated with the debt refinancing (in thousands):

		Year Ended December 31, 2020
Current portion of the Issuance of New Term Loan	$	2,812
Repayment of the current portion of the Original Term Loan		(7,000)
Net adjustment to the current portion of long-term debt	$	(4,188)

(r) Represents the net adjustment to long-term debt associated with the debt refinancing (in thousands):

		Year Ended December 31, 2020
Borrowings of New Term Loan	$	372,188
Repayment of Original Term Loan		(129,500)
Proceeds of New Revolving Credit Facility		25,000
Repayment of Original Revolving Credit Facility		(47,855)
Write-off of unamortized debt issuance costs associated with extinguishment of outstanding Original Term Loan		4,693
Unamortized debt issuance costs and discount of New Term Loan		(11,197)
Net adjustment to long-term debt	$	213,329

(s) Represents the adjustment of $(5,627) thousand to (accumulated deficit) retained earnings related to the Company's extinguishment of the Original Term Loan and exiting the Original Revolving Credit Facility.

Note 6 - Adjustments to the Unaudited Pro Forma Condensed Combined Statements of Operations

(a) Represents the net adjustment to cost of goods sold of $(2,982) thousand for the year ended December 31, 2020 to amortize inventory fair value adjustments in connection with the Act II Acquisition.

(b) Represents the net adjustment to selling, general and administrative expenses for the year ended December 31, 2020 to record incremental depreciation expense resulting from certain assets that have been adjusted to fair value in connection with the Act II Acquisition, to include bonus expense related to the transaction not recognized and to adjust rent expense to reflect the change in market value of certain unfavorable leases in connection with the Act II Acquisition (in thousands):

		Year Ended December 31, 2020
Decrease depreciation expense	$	(272)
Transaction bonus expense		455
Net decrease in rent expense		(280)
Net adjustment to selling, general and administrative expenses	$	(97)

(c) Represents the net adjustment to amortization of intangible assets of $(764) thousand for the year ended December 31, 2020 resulting from the Company's intangible assets that had been adjusted to fair value in connection with the Act II Acquisition.

(d) Represents an adjustment to (benefit) provision for income taxes resulting from the Act II Acquisition pro forma adjustments of $(2,896) thousand to reflect the income tax effect at an estimated 25% rate for the year ended December 31, 2020.

(e) Represents an adjustment to product revenues, net of $(766) thousand for the period from January 1, 2020 to November 10, 2020 to reflect Swerve's spoilage allowances, customer redemptions and certain advertising costs as contra revenue under the Company's accounting policy for recognizing revenue.

(f) Represents the net adjustment to cost of goods sold to reflect Swerve's spoilage allowances and customer redemptions as contra revenue under the Company's accounting policy for recognizing revenue and to amortize inventory fair value adjustments in connection with the Swerve Acquisition (in thousands):

		From January 1, 2020 to November 10, 2020
Contra revenue adjustment	$	(463)
Swerve inventory amortization		274
Net adjustment to cost of goods sold	$	(189)

(g) Represents the net adjustment to selling, general and administrative expenses to record incremental depreciation expense resulting from assets that have been adjusted to fair value in connection with the Swerve Acquisition and to reclassify certain of Swerve's advertising costs as contra revenue (in thousands):

		From January 1, 2020 to November 10, 2020
Contra revenue adjustment	$	(303)
Depreciation adjustment		(17)
Net adjustment to selling, general and administrative expenses	$	(320)

(h) Represents an adjustment to amortization of intangible assets of $1,416 thousand for the period from January 1, 2020 to November 10, 2020 resulting from Swerve's intangible assets that had been adjusted to fair value in connection with the Swerve Acquisition.

(i) Represents an adjustment to interest income (expense) of $4 thousand to eliminate Swerve's historical interest expense.

(j) Represents an adjustment to (benefit) provision for income taxes of $(4,537) thousand for the period from January 1, 2020 to November 10, 2020 to reflect a tax benefit at an estimated rate of 25% on the historical Swerve loss before income taxes, net of pro forma adjustments, as Swerve was historically a disregarded entity for federal and state income tax purposes.

(k) Represents an adjustment to product revenues, net of $(1,085) thousand to reflect coupon discounts and sales development costs as contra revenue under the Company's accounting policy for recognizing revenue.

(l) Represents an adjustment to reflect amortization resulting from Wholesome's inventory that had been adjusted to fair value in connection with the Wholesome Transaction and to reflect certain direct labor and bonus costs historically classified as selling, general & administrative to conform with the Company's accounting policy (in thousands):

		Year Ended November 27, 2020
Inventory amortization adjustment	$	1,989
Direct labor and bonus costs		1,046
Net adjustment to cost of goods sold	$	3,035

(m) Represents an adjustment to selling, general and administrative expenses for the twelve months ended November 27, 2020 to reflect certain selling costs as contra-revenues, direct labor and bonus costs as cost of goods sold historically classified as selling, general & administrative, to record pre combination compensation expenses related to the transaction bonus pool in connection with the Wholesome Transaction that was not recognized within historical records, and to record the accelerated vesting for the partnership units held by Wholesome partnership unitholders resulting from the change in control (in thousands):

		Year Ended November 27, 2020
Wholesome transaction bonus	$	1,206
Wholesome and Whole Earth Brands transaction costs		4,811
Acceleration of partnership units		10,000
Direct labor and bonus costs and contra revenue reclassifications		(2,131)
Net adjustment to selling, general, and administrative expenses	$	13,886

(n) Represents an adjustment to amortization of intangible assets of $2,280 thousand for the twelve months ended November 27, 2020 resulting from the Company's intangible assets that had been adjusted to fair value in connection with the Wholesome Transaction.

(o) Represents an adjustment to eliminate historical interest expense of $8,093 thousand for the twelve months ended November 27, 2020 due to Wholesome's long-term debt that was eliminated in connection with the Wholesome Transaction.

(p) Represents an adjustment to (benefit) provision for income taxes resulting from the Wholesome Transaction pro forma adjustments of $(3,048) thousand to reflect the income tax effect at an estimated 25% rate for the twelve months ended November 27, 2020.

(q) Represents the net adjustment to interest income (expense), net to reflect Whole Earth Brands' new debt financing entered into in connection with the Wholesome Transaction and the adjustment to eliminate historical interest expense (in thousands):

		Year Ended December 31, 2020
Interest expense - New Term Loan	$	(20,859)
Interest expense - New Revolving Credit Facility		(1,394)
Amortization of debt issuance costs and discount - New Term Loan		(1,378)
Amortization of debt issuance costs - New Revolving Credit Facility		(438)
Loss on extinguishment of Original Term Loan		(4,059)
Expense on unamortized issuance costs - Original Term Loan		(107)
Expense on unamortized commitment fee - New Term Loan		(1,073)
Expense on unamortized commitment fee - Original Revolving Credit Facility		(381)
Breakage Fees on Original Revolving Facility		(8)
Less: Historical interest expense - M&F Loan		168
Less: Historical interest expense - Original Term Loan and Original Revolving Credit Facility		4,445

Net adjustment to interest (expense) income, net	$ (25,084)

The interest rate on the term loan reflects a LIBOR floor of 1.00% plus a margin of 4.50%. For each 0.125% increase or decrease in the interest rate on the term loan, interest expense change by approximately $0.5 million in the year ended December 31, 2020.

(r) Represents an adjustment to (benefit) provision for income taxes resulting from the Wholesome Transaction pro forma adjustments of $(6,213) thousand related to the debt transaction entered into to fund the acquisition.

(s) Pro forma basic earnings per share was computed by dividing pro forma net income by the weighted average number of shares of common stock outstanding, as if such shares were issued and outstanding as of January 1, 2020. Pro forma diluted earnings per share was computed by using the treasury stock method to determine the potential dilutive effect of the Company’s warrants. There were no newly issued shares in connection with the Act II Acquisition, Swerve Acquisition or Wholesome Transaction. The following table sets forth a reconciliation of the numerators and denominators used to compute pro forma basic and diluted earnings per share:

	Year Ended December 31, 2020
Weighted average shares of common stock outstanding - basic and diluted	$ 38,426,669
Pro forma basic and diluted net (loss)	(87,411,454)
Pro forma basic and diluted net (loss) per share	$ (2.27)