

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

FORM 10-Q

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

For the quarterly period ended June 30, 2025

OR

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

For the transition period from _____ to _____.

Commission File Number: 001-41485



WESTROCK
COFFEE

WESTROCK COFFEE COMPANY

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

80-0977200

(I.R.S. Employer
Identification Number)

4009 N. Rodney Parham Road, 4th Floor

Little Rock, Arkansas

(Address of Principal Executive Offices)

72212

(Zip Code)

(501) 918-9358

(Registrant's Telephone Number, Including Area Code)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Shares of common stock, par value \$0.01 per share	WEST	The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

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

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

As of August 1, 2025, the Registrant had 94,708,067 shares of common stock, par value \$0.01 per share, outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements as defined under U.S. federal securities laws. Forward-looking statements include all statements that are not historical statements of fact and statements including, but not limited to, the following statements regarding our expectations, hopes, beliefs, intentions or strategies regarding the future, our expectations regarding the build-out of operations (including the installation of a second ready-to-drink can line) and commercialization of customers within the anticipated time frame of our Conway, Arkansas facility and our ability to sell or commit capacity; our expectations regarding capital expenditures; and our future liquidity needs and access to capital. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “would,” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to significant risks and uncertainties. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.

There are or will be important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements, including, but not limited to, risks related to the following:

- the fact that we have incurred net losses in the past, may incur net losses in the future, and may not achieve profitability;
 - risks associated with operating a coffee trading business and a coffee exporting business;
 - the volatility and increases in the cost of green coffee, tea and other ingredients and packaging, and our inability to pass these costs on to customers;
 - our inability to secure an adequate supply of key raw materials, including green coffee and tea, or disruption in our supply chain;
 - deterioration in general macroeconomic conditions and/or decreases in consumer spending on discretionary items;
 - disruption in operations at any of our, our suppliers’ or our co-manufacturers’ production, distribution or manufacturing facilities or other loss of manufacturing capacity;
 - our inability to anticipate customer preferences and successfully develop new products;
 - climate change, which may increase commodity costs, damage our facilities and disrupt our production capabilities and supply chain;
 - failure to retain key personnel or recruit qualified personnel;
 - our inability to hedge commodity risks;
 - consolidation among our distributors and customers or the loss of any key customer;
 - complex and evolving U.S. and international laws and regulations, and noncompliance therewith subjecting us to criminal or civil liability;
 - future acquisitions of businesses, which may divert our management’s attention, prove difficult to effectively integrate and fail to achieve their projected benefits;
 - our inability to effectively manage the growth and increased complexity of our business;
 - our inability to maintain or grow market share through continued differentiation of our product and competitive pricing;
 - our inability to secure the additional capital needed to operate and grow our business;
 - future litigation or legal disputes, which could lead us to incur significant liabilities and costs or harm our reputation;
 - a material failure, inadequacy or interruption of our information technology systems;
 - the unauthorized access, theft, use or destruction of personal, financial or other confidential information relating to our customers, suppliers, employees or business;
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- our future level of indebtedness, which may reduce funds available for other business purposes and reduce our operational flexibility;
- our inability to comply with the financial covenants in our credit agreement;
- our inability to successfully build out operations, commercialize customers, and generate positive operating cash flows within the anticipated time frame following the recent opening of our new facility in Conway, Arkansas or incurring additional expenses in the process;
- our corporate structure and organization, which may prevent or delay attempts to acquire a controlling interest in the Company;
- the fact that our largest shareholders (and certain members of our management team) own a significant percentage of our stock and will be able to exert significant control over matters subject to shareholder approval;
- the impact of current global economic conditions, including those caused by tariffs and trading restrictions, economic slowdowns or recessions, changes in political, economic or industry conditions, global conflicts (including the ongoing conflicts in Europe, the Middle East and Latin America), inflation, the interest rate environment, U.S. government shutdowns, downgrades to the U.S. government's sovereign credit rating or other conditions affecting the global financial and capital markets, and epidemic, pandemic or other health issues; and
- other risks, uncertainties and factors set forth in the "Business" and "Risk Factors" sections in the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 12, 2025 ("Annual Report") and in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" sections of this Quarterly Report on Form 10-Q, as well as those described from time to time in our future reports filed with the SEC.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in the Annual Report or in this Quarterly Report on Form 10-Q. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

WESTROCK COFFEE COMPANY
FORM 10-Q
June 30, 2025

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Part I. Financial Information
Item 1. Financial Statements

WESTROCK COFFEE COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands, except par value)	June 30, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 43,956	\$ 26,151
Restricted cash	8,368	9,413
Accounts receivable, net of allowance for credit losses of \$1,524 and \$3,995, respectively	85,685	99,566
Inventories	194,244	163,323
Derivative assets	28,176	19,746
Prepaid expenses and other current assets	16,214	15,444
Total current assets	376,643	333,643
Property, plant and equipment, net	480,653	467,011
Goodwill	116,111	116,111
Intangible assets, net	110,920	114,879
Operating lease right-of-use assets	61,955	63,380
Other long-term assets	11,195	6,756
Total Assets	\$ 1,157,477	\$ 1,101,780
LIABILITIES, CONVERTIBLE PREFERRED SHARES AND SHAREHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 16,469	\$ 14,057
Short-term debt	75,170	54,659
Accounts payable	75,784	84,255
Supply chain finance program	98,300	78,838
Derivative liabilities	35,099	11,966
Accrued expenses and other current liabilities	60,578	34,095
Total current liabilities	361,400	277,870
Long-term debt, net	377,580	325,880
Convertible notes payable - related party, net	49,741	49,706
Deferred income taxes	16,238	14,954
Operating lease liabilities	59,553	60,692
Other long-term liabilities	1,040	1,346
Total liabilities	865,552	730,448
Commitments and contingencies (Note 19)		
Series A Convertible Preferred Shares, \$0.01 par value, 24,000 shares authorized, 23,511 shares and 23,511 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively, \$11.50 liquidation value	273,678	273,850
Shareholders' Equity		
Preferred stock, \$0.01 par value, 26,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 300,000 shares authorized, 94,708 shares and 94,221 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	947	942
Additional paid-in-capital	526,561	519,878
Accumulated deficit	(491,703)	(442,922)
Accumulated other comprehensive income (loss)	(17,558)	19,584
Total shareholders' equity	18,247	97,482
Total Liabilities, Convertible Preferred Shares and Shareholders' Equity	\$ 1,157,477	\$ 1,101,780

See accompanying notes to condensed consolidated financial statements.

WESTROCK COFFEE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(Thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net sales	\$ 280,859	\$ 208,389	\$ 494,655	\$ 400,889
Costs of sales	239,464	166,986	424,187	322,212
Gross profit	41,395	41,403	70,468	78,677
Selling, general and administrative expense	53,931	51,610	94,275	96,050
Transaction, restructuring and integration expense	2,477	4,399	4,268	7,363
Impairment charges	—	831	—	831
Loss on disposal of property, plant and equipment	—	971	7	973
Total operating expenses	56,408	57,811	98,550	105,217
Loss from operations	(15,013)	(16,408)	(28,082)	(26,540)
Other (income) expense				
Interest expense	13,119	7,453	25,718	15,032
Change in fair value of warrant liabilities	—	(1,612)	—	(1,653)
Other, net	(2,692)	98	(2,970)	233
Loss before income taxes and equity in earnings from unconsolidated entities	(25,440)	(22,347)	(50,830)	(40,152)
Income tax expense (benefit)	(370)	(4,645)	1,458	1,170
Equity in (earnings) loss from unconsolidated entities	(3,507)	57	(3,507)	110
Net loss	\$ (21,563)	\$ (17,759)	\$ (48,781)	\$ (41,432)
Amortization of Series A Convertible Preferred Shares	86	87	172	174
Net loss attributable to common shareholders	\$ (21,477)	\$ (17,672)	\$ (48,609)	\$ (41,258)
(Loss) earnings per common share:				
Basic	\$ (0.23)	\$ (0.20)	\$ (0.51)	\$ (0.47)
Diluted	\$ (0.23)	\$ (0.20)	\$ (0.51)	\$ (0.47)
Weighted-average number of shares outstanding:				
Basic	94,661	88,323	94,480	88,209
Diluted	94,661	88,323	94,480	88,209

See accompanying notes to condensed consolidated financial statements.

WESTROCK COFFEE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (21,563)	\$ (17,759)	\$ (48,781)	\$ (41,432)
<i>Other comprehensive income (loss), net of tax:</i>				
Unrealized gain (loss) on derivative instruments	(35,998)	3,820	(36,766)	4,006
Foreign currency translation adjustment	(423)	51	(376)	81
Total other comprehensive income (loss)	(36,421)	3,871	(37,142)	4,087
Comprehensive (loss) income	(57,984)	(13,888)	(85,923)	(37,345)
Amortization of Series A Convertible Preferred Shares	86	87	172	174
Comprehensive loss attributable to common shareholders	\$ (57,898)	\$ (13,801)	\$ (85,751)	\$ (37,171)

See accompanying notes to condensed consolidated financial statements.

WESTROCK COFFEE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

(Thousands)	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Amount				
Balance at March 31, 2024	88,282	\$ 883	\$ 473,064	\$ (386,297)	\$ 4,034	\$ 91,684
Net income (loss)	—	—	—	(17,759)	—	(17,759)
Issuance of common shares related to "at-the-market" offering program, net of issuance costs	60	1	624	—	—	625
Issuance of common shares related to stock options exercised	1	—	12	—	—	12
Amortization of Series A Convertible Preferred Shares	—	—	87	—	—	87
Other comprehensive income (loss)	—	—	—	—	3,871	3,871
Equity-based compensation	23	—	3,025	—	—	3,025
Net share settlement of equity awards	—	—	(17)	—	—	(17)
Balance at June 30, 2024	<u>88,366</u>	<u>\$ 884</u>	<u>\$ 476,795</u>	<u>\$ (404,056)</u>	<u>\$ 7,905</u>	<u>\$ 81,528</u>
Balance at March 31, 2025	94,622	\$ 946	\$ 521,742	\$ (470,140)	\$ 18,863	\$ 71,411
Net income (loss)	—	—	—	(21,563)	—	(21,563)
Amortization of Series A Convertible Preferred Shares	—	—	86	—	—	86
Other comprehensive income (loss)	—	—	—	—	(36,421)	(36,421)
Equity-based compensation	86	1	4,749	—	—	4,750
Net share settlement of equity awards	—	—	(16)	—	—	(16)
Balance at June 30, 2025	<u>94,708</u>	<u>\$ 947</u>	<u>\$ 526,561</u>	<u>\$ (491,703)</u>	<u>\$ (17,558)</u>	<u>\$ 18,247</u>

See accompanying notes to condensed consolidated financial statements.

WESTROCK COFFEE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited) (continued)

(Thousands)	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Amount				
Balance at December 31, 2023	88,051	\$ 880	\$ 471,666	\$ (362,624)	\$ 3,818	\$ 113,740
Net income (loss)	—	—	—	(41,432)	—	(41,432)
Issuance of common shares related to "at-the-market" offering program, net of issuance costs	60	1	624	—	—	625
Issuance of common shares related to stock options exercised	1	—	12	—	—	12
Amortization of Series A Convertible Preferred Shares	—	—	174	—	—	174
Other comprehensive income (loss)	—	—	—	—	4,087	4,087
Equity-based compensation	254	3	5,478	—	—	5,481
Net share settlement of equity awards	—	—	(1,159)	—	—	(1,159)
Balance at June 30, 2024	<u>88,366</u>	<u>\$ 884</u>	<u>\$ 476,795</u>	<u>\$ (404,056)</u>	<u>\$ 7,905</u>	<u>\$ 81,528</u>
Balance at December 31, 2024	94,221	942	519,878	(442,922)	19,584	97,482
Net income (loss)	—	—	—	(48,781)	—	(48,781)
Amortization of Series A Convertible Preferred Shares	—	—	172	—	—	172
Other comprehensive income (loss)	—	—	—	—	(37,142)	(37,142)
Equity-based compensation	487	5	8,075	—	—	8,080
Net share settlement of equity awards	—	—	(1,564)	—	—	(1,564)
Balance at June 30, 2025	<u>94,708</u>	<u>\$ 947</u>	<u>\$ 526,561</u>	<u>\$ (491,703)</u>	<u>\$ (17,558)</u>	<u>\$ 18,247</u>

See accompanying notes to condensed consolidated financial statements.

WESTROCK COFFEE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands)	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (48,781)	\$ (41,432)
<i>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</i>		
Depreciation and amortization	26,771	15,516
Impairment charges	—	831
Equity-based compensation	8,080	5,481
Provision for credit losses	(22)	1,026
Amortization of deferred financing fees included in interest expense	1,755	1,715
Write-off of unamortized deferred financing fees	137	—
(Gain) loss on disposal of property, plant and equipment	7	973
Gain on de-consolidation of Rwanda Trading Company	(2,291)	—
Mark-to-market adjustments	(3,514)	(3,162)
Change in fair value of warrant liabilities	—	(1,653)
Foreign currency transactions	(141)	53
Deferred income tax expense (benefit)	1,458	1,170
Other	(2,738)	490
<i>Change in operating assets and liabilities:</i>		
Accounts receivable	12,154	(3,954)
Inventories	(43,345)	(12,912)
Derivative assets and liabilities	(8,388)	4,709
Prepaid expense and other assets	1,520	733
Accounts payable	10,931	(20,211)
Accrued liabilities and other	17,334	34,936
Net cash used in operating activities	(29,073)	(15,691)
Cash flows from investing activities:		
Additions to property, plant and equipment	(61,826)	(105,105)
Additions to intangible assets	(40)	(104)
Proceeds from sale of equity method investments and non-marketable securities	500	—
Acquisition of equity method investments and non-marketable securities, inclusive of cash contributed	(2,952)	—
Proceeds from sale of property, plant and equipment	316	449
Net cash used in investing activities	(64,002)	(104,760)
Cash flows from financing activities:		
Payments on debt	(46,799)	(134,634)
Proceeds from debt	131,373	184,124
Payments on supply chain financing program	(79,847)	(49,612)
Proceeds from supply chain financing program	99,309	47,872
Proceeds from convertible notes payable	—	22,000
Proceeds from convertible notes payable - related party	—	50,000
Payment of debt issuance costs	(2,354)	(2,965)
Payment of convertible notes payable issuance costs	—	(511)
Net proceeds from (repayments of) repurchase agreements	9,769	(7,343)
Proceeds from exercise of stock options	—	12
Proceeds from issuance of common stock	—	635
Payment of equity issuance costs	—	(10)
Payment for taxes for net share settlement of equity awards	(1,564)	(1,159)
Net cash provided by financing activities	109,887	108,409
Effect of exchange rate changes on cash	(52)	229
Net increase (decrease) in cash and cash equivalents and restricted cash	16,760	(11,813)
Cash and cash equivalents and restricted cash at beginning of period	35,564	37,840
Cash and cash equivalents and restricted cash at end of period	\$ 52,324	\$ 26,027
Supplemental non-cash investing and financing activities:		
Property, plant and equipment acquired but not yet paid	\$ 10,259	\$ 16,191

The total cash and cash equivalents and restricted cash at June 30, 2025 and 2024 is as follows:

(Thousands)	June 30, 2025	June 30, 2024
Cash and cash equivalents	\$ 43,956	\$ 24,316
Restricted cash	8,368	1,711
Total	\$ 52,324	\$ 26,027

See accompanying notes to condensed consolidated financial statements.

WESTROCK COFFEE COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Organization and Description of Business

Westrock Coffee Company, a Delaware corporation (the “Company,” “Westrock,” “we,” “us,” or “our”), is a leading integrated coffee, tea, flavors, extracts, and ingredients solutions provider in the United States, providing coffee sourcing, supply chain management, product development, roasting, packaging, and distribution services to the retail, food service and restaurant, convenience store and travel center, non-commercial account, consumer packaged goods (“CPG”), and hospitality industries around the world. We manage our business in two operating segments.

Beverage Solutions: Through this segment, we combine our product innovation and customer insights to provide value-added beverage solutions, including coffee, tea, flavors, extracts and ingredients. We provide products in a variety of packaging, including branded and private label coffee in bags, fractional packs, single serve cups, multi-serve bottles and ready-to-drink bottles and cans, as well as extract solutions to be used in products such as cold brew and ready-to-drink offerings. Currently, we serve customers in the United States, Europe and Asia, through the retail, food service and restaurant, convenience store and travel center, non-commercial account, CPG, and hospitality industries.

Sustainable Sourcing & Traceability: Through this segment, we utilize our proprietary technology and digitally traceable supply chain to directly impact and improve the lives of our farming partners, provide tangible economic empowerment and emphasize environmental accountability and farmer literacy. Revenues primarily consist of sales from commodity contracts related to forward sales of green coffee.

Note 2. Basis of Presentation and Consolidation

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) using the U.S. dollar as the reporting currency. They do not include all the information and footnotes required by GAAP for complete financial statements. The Condensed Consolidated Financial Statements include the activities of the Company and its wholly owned and/or controlled subsidiaries. All intercompany balances and transactions have been eliminated. The Condensed Consolidated Balance Sheet as of December 31, 2024 was derived from the audited financial statements, but does not include all disclosures required by GAAP.

On April 1, 2025, the Company entered into an agreement with ETC Holdings SA (“ECOM”) that combines Westrock’s and ECOM’s Rwandan export operations (the “Rwandan JV”). This strategic partnership, which was established to trade Arabica coffee from Rwanda and commercially operate wet mill and storage facilities, allows Westrock to scale its operations in Rwanda, improve profitability, and strengthen our ability to provide smallholder farmers and their families the ability to advance their quality of life and economic well-being. The Company contributed its ownership interest in Rwanda Trading Company (“RTC”) and \$100,000 in cash in exchange for a 49.9% ownership interest in the Rwandan JV. At June 30, 2025, the Company’s investment and maximum exposure to loss is \$1.6 million, which is recorded in other long-term assets on the Condensed Consolidated Balance Sheets. As a result of the transaction, the Company has de-consolidated RTC, de-recognizing \$9.3 million of assets, including approximately \$2.9 million of cash and cash equivalents, and \$10.3 million of liabilities that were previously reported within our Sustainable Sourcing & Traceability (“SS&T”) segment. Upon de-consolidation, the Company recognized a \$2.3 million gain during the three months ended June 30, 2025, which is recorded in other, net on the Condensed Consolidated Statements of Operations. The gain on de-consolidation of RTC is reported as operating activities in the Condensed Consolidated Statements of Cash Flows.

The interim financial information is unaudited but, in the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for fair statement of results for the interim periods have been included. Operating results from any interim period are not necessarily indicative of the results that may be expected for the full fiscal year. The Condensed Consolidated Financial Statements and related notes should be read in conjunction with the audited December 31, 2024 consolidated financial statements and notes thereto included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on March 12, 2025. Accordingly, certain

significant accounting policies and other disclosures normally provided have been omitted from the accompanying Condensed Consolidated Financial Statements and related notes since such items are disclosed in our audited financial statements.

Note 3. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates, including those related to the allowance for credit losses, useful lives of property, plant and equipment, incremental borrowing rates for lease liability measurement, fair values of forward purchase and sales contracts, green coffee associated with forward contracts, share-based compensation, contingencies, and income taxes, among others. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from the estimates and assumptions used in preparing the accompanying condensed consolidated financial statements.

Going Concern

In accordance with Accounting Standards Update (“ASU”) 2014-15, *Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern (Subtopic 205-40)*, the Company has the responsibility to evaluate whether conditions and/or events raise substantial doubt about its ability to meet its obligations as they become due within one year after the date that the financial statements are available to be issued. The Company is dependent on borrowings under its Credit Agreement (as defined herein) and cash generated from operations to finance its operations, service its debt requirements, maintain compliance with its covenants, and to fund capital requirements. The Company believes that projected cash flow from operations, including current projections of the timing and amount of cash flows to be generated from our Conway, Arkansas extract and ready-to-drink manufacturing facility (the “Conway Facility”), and available borrowings under its Credit Agreement, as amended, as described in Note 10, will be sufficient to fund operations and to maintain covenant compliance for at least the next twelve months. However, during the six months ended June 30, 2025, the Company incurred net losses of \$48.8 million and net cash outflows from operating activities of \$29.1 million. If we are unable to achieve our profitability growth projections and maintain our covenant leverage ratio and minimum liquidity requirements, as a result of, for example, experiencing any adverse impact of changes or further delays in the estimated timing and volume of products to be commercialized in our Conway Facility over the next twelve months, and generate sufficient cash flows from operations, it may restrict our liquidity and capital resources and our ability to maintain compliance with our financial covenants. Our liquidity may also be negatively impacted by recently enacted and/or proposed tariffs and trading restrictions that, absent an exemption, would be applied to imported equipment, commodities and packaging materials. Where possible, we will seek to recover tariff and inflation impacted costs by passing these costs onto our customers through periodic pricing increases. However, our pricing increases often lag our cost increases, including increases in commodity costs, which will impact our liquidity.

As further discussed in Note 10, on January 15, 2025, the Company entered into an Incremental Assumption Agreement and Amendment No. 4 to its Credit Agreement (as defined in Note 10), which increased available borrowings under the Credit Agreement by \$25.0 million and modified certain financial covenants. However, as management’s ability to amend its financial covenants cannot be assured, if necessary, management has committed to delay growth capital expenditures and/or reduce operating expenses, including headcount, salary and/or bonus reductions, all of which are in the Company’s control, as necessary, in order to have adequate liquidity and to remain in compliance with its debt covenants. As further discussed in *Restructuring Activities* below, during 2024 the Company consolidated its manufacturing operations, completed the sale of its West Winds facility, and executed a targeted reduction in excess workforce capacity, which were designed to improve operational efficiency. If required, the Company will further reduce operating costs to ensure compliance with its financial covenants. The accompanying Condensed Consolidated Financial Statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist principally of amounts billed and currently due from customers and are generally unsecured and due within 30 to 60 days. A portion of our accounts receivable is not expected to be collected due to non-payment, bankruptcies or deductions. Our accounting policy for the allowance for credit losses requires us to reserve an amount based on the evaluation of the aging of accounts receivable, detailed analysis of high-risk customers' accounts, and the overall market and economic conditions of our customers. This evaluation considers the customer demographic, such as large commercial customers as compared to small businesses or individual customers. We consider our accounts receivable delinquent or past due based on payment terms established with each customer. Accounts receivable are written off when the account is determined to be uncollectible.

Activity in the allowance for credit losses was as follows:

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Balance at beginning of period	\$ 1,808	\$ 3,356	\$ 3,995	\$ 2,915
Charged to selling, general and administrative expense	143	585	(22)	1,026
Write-offs, net	(427)	—	(2,449)	—
Total	<u>\$ 1,524</u>	<u>\$ 3,941</u>	<u>\$ 1,524</u>	<u>\$ 3,941</u>

Receivables Purchase Agreement

On June 27, 2025, the Company entered into a receivable purchase agreement (the "Factoring Agreement") with a third-party financial institution (the "Factor") through which the Company may sell up to \$35.0 million of certain trade receivables on a nonrecourse basis to the Factor. Transactions under the Factoring Agreement qualify for true-sale treatment in accordance with Accounting Standards Codification ("ASC") 860, *Transfers and Servicing* ("ASC 860"), whereby receivables sold to the Factor are recorded as a reduction of accounts receivable in the Condensed Consolidated Balance Sheets. As a part of the Factoring Agreement, we perform certain collection and administrative functions for the receivables sold.

During the six months ended June 30, 2025, the Company received \$35.0 million of proceeds under the Factoring Agreement, and approximately \$0.4 million of fees were incurred associated with these sales, which are recorded within selling, general and administrative expense on the Condensed Consolidated Statements of Operations. Cash received from the sale of receivables under the Factoring Agreement is classified within operating activities in the Condensed Consolidated Statements of Cash Flows, and fees, when incurred, will be recorded within selling, general and administrative expenses in the Condensed Consolidated Statements of Operations.

Inventories

Inventories are stated at the lower of cost, determined on the average cost method, or net realizable value. Finished goods and work-in-process include the inventory costs of raw materials, direct labor and manufacturing overhead costs.

Within our SS&T segment, green coffee associated with our forward contracts is recorded at net realizable value, which approximates market price, consistent with our forward purchase contracts recorded at fair value in accordance with ASC 815, *Derivatives and Hedging* ("ASC 815"). Green coffee is a commodity with quoted market prices in active markets, may be sold without significant further processing, has predictable and insignificant disposal costs and is available for immediate delivery. We estimate the fair value of green coffee based on the quoted market price at the end of each reporting period, with changes in fair value being reported as a component of costs of sales in our Condensed Consolidated Statements of Operations. For the three and six months ended June 30, 2025, we recognized \$9.2 million and \$10.7 million of net unrealized losses, respectively, on green coffee inventory associated with our forward sales and purchase contracts. For the three and six months ended June 30, 2024, we recognized \$1.7 million and \$1.0 million of net unrealized gains, respectively, on green coffee inventory associated with our forward sales and purchase contracts.

Capitalized Interest

We capitalize a portion of interest costs incurred related to assets that require a period of time to get them ready for their intended use. The amount of interest capitalized is based on eligible expenditures incurred during the period involved in bringing the assets to their intended use and the Company's weighted-average interest rate during the period. For the three and six months ended June 30, 2025, we capitalized \$0.4 million and \$0.6 million of interest costs, respectively. For the three and six months ended June 30, 2024, we capitalized \$4.3 million and \$7.2 million of interest costs, respectively.

Supply Chain Finance Program

The Company is party to a supply chain finance program (the "Program") with a third-party financing provider to provide better working capital usage by deferring payments for certain raw materials of up to \$100.0 million. Under the Program, the financing provider remits payment to the Company's suppliers for approved invoices, and the Company repays the financing provider the amount of the approved invoices, plus a financing charge, on 180-day terms. The Program is uncommitted and the financing provider may, at its sole discretion, cancel the Program at any time. The Company may request cancellation of the Program in whole or in respect of one or more approved suppliers. Due to the extension of payment terms beyond the original due date of approved invoices, obligations under the Program are recorded outside of accounts payable, within our supply chain finance program, on our Condensed Consolidated Balance Sheets. Amounts paid by the financing provider to suppliers are reported as cash inflows from financing activities and a corresponding cash outflow from operating activities in our Condensed Consolidated Statements of Cash Flows. Amounts paid to the financing provider are reflected as cash outflows from financing activities in our Condensed Consolidated Statements of Cash Flows. At June 30, 2025 and December 31, 2024, there were \$98.3 million and \$78.8 million of obligations outstanding under the Program, respectively.

Green Coffee Repurchase Program

On March 28, 2025, the Company entered into a master commodity purchase and sale agreement (the "Commodity Program") with a third-party financing provider whereby the Company may enter into commodities purchase and sales, including transactions in which the Company sells green coffee to the financing provider, but retains a right, or obligation, to re-purchase the green coffee at the original sales price, plus a finance charge ("Repo Transactions"). The Commodity Program is uncommitted and may be canceled by the financing provider at any time. At June 30, 2025 and December 31, 2024, the Company had a right, or obligation, to repurchase \$9.9 million and \$0, respectively, of green coffee from the financing provider. The liability for Repo Transactions is recorded within accrued expenses and other current liabilities on the Company's Condensed Consolidated Balance Sheets. Cash flows related to Repo Transactions are reported as financing activities in our Condensed Consolidated Statements of Cash Flows.

Restructuring Activities

The Company accounts for exit or disposal activities in accordance with ASC 420, *Exit or Disposal Cost Obligations* ("ASC 420"). Restructuring charges may include one-time termination benefits related to employee separations, contract termination costs, long-lived asset impairments, and other related costs associated with exit or disposal activities.

The recognition of restructuring charges requires the Company to make certain judgments and estimates regarding the nature, timing and amount of costs associated with the planned exit activity. To the extent the Company's actual results differ from its estimates and assumptions, the Company may be required to revise the estimates of future liabilities, require the recognition of additional restructuring charges or the reduction of liabilities already recognized. Such changes to previously estimated amounts may be material to the Condensed Consolidated Financial Statements. Restructuring charges are not included in the Company's measurement of segment profitability as discussed in Note 18.

During the second quarter of 2024, the Company committed to a plan to consolidate its manufacturing operations in its Beverage Solutions segment, which resulted in the closure and sale of its West Winds manufacturing facility in Concord, North Carolina, and the closure of its manufacturing facility in Richmond, California. All production from the impacted

facilities was consolidated into other facilities operated by the Company in Concord, North Carolina and Conway, Arkansas.

The closure of the West Winds facility was completed as of June 30, 2024, and the Company completed the sale of the associated land and buildings during the fourth quarter of 2024. Production in our Richmond, California facility ceased during the third quarter of 2024. During the three and six months ended June 30, 2024, the Company incurred impairment charges of approximately \$0.8 million on equipment associated with the plant consolidations, which is reported within impairment charges on the Condensed Consolidated Statements of Operations. The Company incurred total costs related to the plant consolidations of \$4.0 million, of which \$3.2 million was incurred during the year ended December 31, 2024 and approximately \$0.8 million was incurred during the six months ended June 30, 2025. These charges primarily relate to costs to remove and re-install production equipment into other manufacturing facilities.

In addition, during the second quarter of 2024, the Company committed to targeted restructuring activities to improve operational efficiency by reducing excess workforce capacity. As a result of this reduction, and the impacts of the consolidation of manufacturing facilities noted above, the Company recognized approximately \$4.7 million of one-time employee severance costs during the year ended December 31, 2024. At June 30, 2025, less than \$0.1 million of such termination benefits were accrued for within accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets.

The following table summarizes the changes in the Company's accrual for such employee termination benefits:

(Thousands)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2025		2025	
Balance at beginning of period	\$	344	\$	644
Charges		—		—
Adjustments		(186)		(186)
Cash paid		(131)		(431)
Balance at end of the period	\$	27	\$	27

On February 12, 2024, following the completion of the Conway Facility, the Company entered into a lease termination agreement for its distribution center located in North Little Rock, Arkansas (the "Gregory Distribution Center"). The Gregory Distribution Center lease terminated, by mutual agreement, on June 30, 2024. No costs were incurred as a result of the lease termination. During the first quarter of 2024, the Company remeasured the Gregory Distribution Center lease liability, and related right-of-use asset, in accordance with ASC 842, *Leases*, resulting in a reduction of the lease liability and right-of-use asset of approximately \$3.0 million. As of June 30, 2024, there was no remaining lease liability or right-of-use asset related to the Gregory Distribution Center recorded in the Condensed Consolidated Balance Sheets.

Equity Method Investments

As discussed in Note 2, on April 1, 2025, the Company entered into an agreement with ECOM that combines Westrock's and ECOM's Rwandan export operations. As a result of the transaction, Westrock holds a 49.9% equity method investment in the joint venture valued at \$1.6 million, which is reported in other long-term assets on the Condensed Consolidated Balance Sheets. Our proportionate share of the income or loss of the joint venture is reported in equity in (earnings) loss from unconsolidated entities on the Condensed Consolidated Statements of Operations, and is reported in the results of our SS&T segment.

Income Taxes

We account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized based on the differences between the financial statement carrying amount of assets and liabilities and their respective tax bases, using enacted income tax rates expected to apply when the deferred tax assets and liabilities are expected to be realized or settled. The Company's foreign subsidiaries file income tax returns and are subject to tax provisions in their respective foreign tax jurisdictions.

A valuation allowance is established to reduce deferred income tax assets if, on the basis of available evidence, it is more likely than not that all or a portion of any deferred tax assets will not be realized. The consideration of available evidence requires significant management judgment including an assessment of the future periods in which the deferred tax assets and liabilities are expected to be realized and projections of future taxable income. Specifically, in assessing the need for a valuation allowance, we consider the reversal of taxable temporary differences, future taxable income, the ability to carryback certain attributes and tax-planning strategies. The ultimate realization of the deferred tax assets, including net operating losses, is dependent upon the generation of future taxable income during the periods prior to their expiration. If our estimates and assumptions about future taxable income are not appropriate, the value of our deferred tax assets may not be recoverable, which may result in an increase to our valuation allowance that will impact current earnings. We re-evaluate our need for a valuation allowance on a quarterly basis.

The effective income tax rates for the six months ended June 30, 2025 and 2024 were (3.1)% and (2.9)%, respectively. The Company's effective tax rate for the current period differs from the federal statutory rate primarily due to an increase in the valuation allowance against domestic deferred tax assets. The effective tax rate for the six months ended June 30, 2025 differs from the effective tax rate for the same period in 2024 primarily due to certain permanent differences, including the Global Intangible Low-Taxed Income ("GILTI") inclusion and nondeductible expenses related to executive compensation, and discrete items.

On December 20, 2021, the Organization for Economic Co-operation and Development ("OECD") released Pillar Two Model Rules, which provide for a global minimum tax of 15% on multinational entities. Although the United States has not yet adopted the Pillar Two Model Rules, several foreign countries have enacted Pillar Two legislation since 2023. The impact of Pillar Two on the Company's 2025 effective tax rate is expected to be minimal. Management will continue to monitor future Pillar Two legislation in relevant jurisdictions for any impacts to the Company's effective tax rate.

On July 4, 2025, the One Big Beautiful Bill Act (the "Act") was signed into law in the United States. The Act contains several provisions related to income taxes, including the extension of many expiring provisions from the Tax Cuts and Jobs Act of 2017, modifications to the international tax framework, and restoration of the favorable tax treatment for certain business provisions, including the interest limitation under Section 163(j). The Company is currently evaluating the impact of the Act.

Recently adopted accounting pronouncements

ASU 2023-05 – Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement

In August 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-05, "Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement". The amendments in this update require that a joint venture recognize and initially measure assets contributed and liabilities assumed at fair value upon its formation in the joint venture's separate financial statements. The amendments in this update are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025, with early adoption permitted. The Company adopted the amendments within ASU 2023-05 effective January 1, 2025. The adoption of this guidance did not have a material impact on our financial position, results of operations or cash flows.

ASU 2023-07 – Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures". The amendments in the update are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses. ASU 2023-07 requires disclosure to include significant segment expenses that are regularly provided to the chief operating decision maker and a description of other segment items by reportable segment. The amendments in the update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments in the update require retrospective application to all prior periods presented in the financial statements. The Company adopted the amendments within ASU 2023-07 when it became effective, in our 2024 annual

reporting, on a retrospective basis. The adoption of this guidance did not have a material impact on our financial position, results of operations or cash flows.

Recently issued accounting pronouncements

ASU 2023-09 – Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740): Improvements to Income Tax Disclosures”. The amendments in the update relate to the rate reconciliation and income taxes paid disclosure and are intended to improve transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the tax reconciliation and (2) income taxes paid disaggregated by jurisdiction. The other amendments in the update are intended to improve comparability of disclosures by (1) adding disclosures of pretax income (or loss) and income tax expense (or benefit) and (2) removing disclosures that no longer are considered cost beneficial or relevant. ASU 2023-09 is effective for annual periods beginning after December 15, 2024, with early adoption permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments in the update should be applied on a prospective basis, with retrospective application permitted. The adoption of ASU 2023-09 will result in additional annual tax disclosures but does not otherwise have a material impact on our financial position, results of operations or cash flows.

ASU 2024-03 – Income Statement – Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU 2024-03, “Income Statement – Reporting Comprehensive Income (Topic 220): Expense Disaggregation Disclosures”. The amendments in this update include requirements for public business entities to provide disclosure, in the notes to the financial statements, of specified information about certain costs and expenses. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The amendments in this update may be applied either prospectively or retrospectively. The Company is currently evaluating the impact that ASU 2024-03 will have on our consolidated financial statements.

Note 4. Revenue

Revenue from Contracts with Customers (ASC 606)

We measure revenue based on the consideration specified in the client arrangement, and revenue is recognized when the performance obligations in the client arrangement are satisfied. Our principal source of revenue is from the procurement, trade, manufacture, and distribution of coffee, tea and extracts to customers in the United States, Europe, and Asia.

The transaction price of a contract, net of discounts and expected returns, is allocated to each distinct performance obligation based on the relative standalone selling price of the obligation and is recognized as revenue when the performance obligation is satisfied. The standalone selling price is the estimated price we would charge for the good or service in a separate transaction with similar customers in similar circumstances. Identifying distinct performance obligations and determining the standalone selling price for each performance obligation within a contract requires management judgment.

Substantially all our client contracts require that we be compensated for services performed to date. This is upon completion of production, shipment of goods or upon delivery to the customer, depending on contractual terms. Shipping and handling costs paid by the customer to us are included in revenue and costs incurred by us for shipping and handling activities that are performed after a customer obtains control of the product are accounted for as fulfillment costs. In addition, we exclude from net revenue and costs of sales taxes assessed by governmental authorities on revenue-producing transactions. Although we occasionally accept returns of products from our customers, historically returns have not been material.

At times, the Company may enter into agreements in which its SS&T segment will sell inventory to a third party, from whom the Company's Beverage Solutions segment has an obligation to repurchase. Such transactions are accounted for as financing transactions in accordance with ASC 606. At June 30, 2025 and December 31, 2024, the Company had \$0.5 million and \$0.6 million, respectively, of such repurchase agreement obligations, collateralized by the corresponding inventory, that are recorded within accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets. Net cash flows associated with these repurchase agreements are reported as financing activities in the Condensed Consolidated Statements of Cash Flows.

Revenue from Forward Contracts (ASC 815)

A portion of the Company's revenues consist of sales from commodity contracts that are accounted for under ASC 815. Sales from commodity contracts primarily relate to forward sales of green coffee which are accounted for as derivatives at fair value under ASC 815. These forward sales meet the definition of a derivative under ASC 815 as they have an underlying, notional amount, no initial net investment and can be net settled since the commodity is readily converted to cash. The Company does not apply the normal purchase and normal sale exception under ASC 815 to these contracts.

Revenues from commodity contracts are recognized in revenues for the contractually stated amount when the contracts are settled. Settlement generally occurs upon shipment or delivery of the product when title and risks and rewards of ownership transfer to the customer. Prior to settlement, these forward sales contracts are recognized at fair value with the unrealized gains or losses recorded within costs of sales on our Condensed Consolidated Statements of Operations. For the three and six months ended June 30, 2025, we recorded \$10.6 million and \$14.2 million of net unrealized gains, respectively, within costs of sales. For the three and six months ended June 30, 2024, we recorded \$0.1 million of net unrealized losses and \$2.2 million of net unrealized gains, respectively, within costs of sales.

For the three and six months ended June 30, 2025, the Company recognized \$72.4 million and \$122.0 million in revenues under ASC 815, respectively, and for the three and six months ended June 30, 2024, the Company recognized \$44.1 million and \$79.1 million in revenues under ASC 815, respectively, which are reported within the Company's SS&T segment.

Contract Estimates

The nature of the Company's contracts gives rise to variable consideration including cash discounts, volume-based rebates, point of sale promotions, and other promotional discounts to certain customers. For all promotional programs and discounts, the Company estimates the rebate or discount that will be granted to the customer and records an accrual upon invoicing. These estimated rebates or discounts are included in the transaction price of the Company's contracts with customers as a reduction to net revenues and are included as accrued sales incentives in accrued expenses and other current liabilities in the Condensed Consolidated Balance Sheets. Accrued sales incentives were \$1.8 million and \$1.8 million at June 30, 2025 and December 31, 2024, respectively. Other accrued deductions were \$2.2 million and \$2.0 million at June 30, 2025 and December 31, 2024, respectively, and are included as a reduction to accounts receivable, net in the Condensed Consolidated Balance Sheets.

We do not disclose the value of unsatisfied performance obligations for contracts (i) with an original expected length of one year or less or (ii) for which the Company recognizes revenue at the amount in which it has the right to invoice as the product is delivered.

Contract Balances

Contract balances relate primarily to advances received from the Company's customers before revenue is recognized. The Company did not have any material contract liabilities as of June 30, 2025 or December 31, 2024. Revenue recognized during the three and six months ended June 30, 2025, that was included in the contract liabilities balance as of March 31, 2025 and December 31, 2024, respectively, was not material. Receivables from contracts with customers are included in accounts receivable, net on the Company's Condensed Consolidated Balance Sheets. At June 30, 2025 and December 31, 2024, accounts receivable, net included \$92.6 million and \$104.8 million in receivables from contracts with customers, respectively.

Contract acquisition costs for obtaining contracts that are deemed recoverable are capitalized as contract costs. Such costs result from the payment of sales incentives and are amortized over the contract life. As of June 30, 2025 and December 31, 2024, no costs were capitalized as all arrangements were less than a year.

Disaggregated Revenue

In general, the Company's business segmentation is aligned according to the nature and economic characteristics of its products and customer relationships and provides meaningful disaggregation of each business segment's results of operations.

Further disaggregation of revenues from sales to external customers by type and geographic area, based on customer location, for the periods indicated is as follows:

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Coffee & tea	\$ 153,966	\$ 115,077	\$ 274,633	\$ 233,845
Flavors, extracts & ingredients	53,980	47,366	97,229	85,782
Other	868	810	1,031	1,685
Green coffee	72,045	45,136	121,762	79,577
Net sales	<u>\$ 280,859</u>	<u>\$ 208,389</u>	<u>\$ 494,655</u>	<u>\$ 400,889</u>

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
United States	\$ 216,169	\$ 166,936	\$ 385,485	\$ 327,070
All other countries	64,690	41,453	109,170	73,819
Net sales	<u>\$ 280,859</u>	<u>\$ 208,389</u>	<u>\$ 494,655</u>	<u>\$ 400,889</u>

For the three and six months ended June 30, 2025 and 2024, other than the United States, no country accounted for more than 10 percent of our consolidated net sales.

Note 5. Inventories

The following table summarizes inventories as of June 30, 2025 and December 31, 2024:

(Thousands)	June 30, 2025	December 31, 2024
Raw materials	\$ 96,170	\$ 82,412
Finished goods	44,941	32,520
Green coffee	53,133	48,391
Total inventories	<u>\$ 194,244</u>	<u>\$ 163,323</u>

Green coffee inventories represent green coffee held for resale. At June 30, 2025 and December 31, 2024, all green coffee held for resale was included within our Sustainable Sourcing & Traceability segment.

Note 6. Property, Plant and Equipment, Net

The following table summarizes property, plant and equipment, net as of June 30, 2025 and December 31, 2024:

(Dollars in Thousands)	Depreciable Lives	June 30, 2025	December 31, 2024
Land		\$ 5,160	\$ 6,581
Buildings	10-40 years	182,818	175,171
Leasehold improvements ⁽¹⁾		12,455	12,320
Plant equipment	3-15 years	275,326	249,933
Vehicles and transportation equipment	3-5 years	265	615
IT systems	3-7 years	12,869	12,717
Furniture and fixtures	3-10 years	7,470	7,373
Customer beverage equipment ⁽²⁾	3-5 years	22,312	21,826
Lease right-of-use assets ⁽³⁾		81	81
Construction in progress and equipment deposits		85,677	85,279
		<u>604,433</u>	<u>571,896</u>
Less: accumulated depreciation		(123,780)	(104,885)
Property, plant and equipment, net		<u>\$ 480,653</u>	<u>\$ 467,011</u>

1 - Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease life.

2 - Customer beverage equipment consists of brewers held on site at customer locations.

3 - Lease right-of-use assets are amortized over the shorter of the useful life of the asset or the lease term.

Depreciation expense for the three and six months ended June 30, 2025 was \$13.0 million and \$22.8 million, respectively, and depreciation expense for the three and six months ended June 30, 2024 was \$5.8 million and \$11.3 million, respectively. Assets classified as construction in progress and equipment deposits are not depreciated, as they are not ready for production use. All assets classified as construction in progress and equipment deposits at June 30, 2025 are expected to be in production use.

Note 7. Goodwill

The following table reflects the carrying amount of goodwill as of June 30, 2025 and December 31, 2024:

(Thousands)	Beverage Solutions	Total
Balance at December 31, 2024		
Goodwill	\$ 192,994	\$ 192,994
Accumulated impairment loss	(76,883)	(76,883)
	<u>116,111</u>	<u>116,111</u>
Balance at June 30, 2025		
Goodwill	\$ 192,994	\$ 192,994
Accumulated impairment loss	(76,883)	(76,883)
	<u>\$ 116,111</u>	<u>\$ 116,111</u>

Note 8. Intangible Assets, Net

The following table summarizes intangible assets, net as of June 30, 2025 and December 31, 2024:

(Thousands)	June 30, 2025		
	Cost	Accumulated Amortization	Net
Customer relationships	\$ 148,648	\$ (38,051)	\$ 110,597
Favorable lease asset	220	(220)	—
Software	1,173	(850)	323
Intangible assets, net	<u>\$ 150,041</u>	<u>\$ (39,121)</u>	<u>\$ 110,920</u>

(Thousands)	December 31, 2024		
	Cost	Accumulated Amortization	Net
Customer relationships	\$ 148,648	\$ (34,197)	\$ 114,451
Favorable lease asset	220	(209)	11
Software	1,243	(826)	417
Intangible assets, net	<u>\$ 150,111</u>	<u>\$ (35,232)</u>	<u>\$ 114,879</u>

Amortization expense of intangible assets was \$2.0 million and \$3.9 million for the three and six months ended June 30, 2025, respectively, and amortization expense of intangible assets was \$2.1 million and \$4.1 million for the three and six months ended June 30, 2024, respectively. As of June 30, 2025, the weighted average useful life for definite-lived intangibles is approximately 20 years.

Note 9. Leases

We have operating leases for manufacturing, production, administrative, distribution and warehousing facilities, vehicles and machinery and equipment. Some of our lease agreements have renewal options, tenant improvement allowances, rent holidays and rent escalation clauses. The remaining terms on our leases range from 1 year to 15 years, some of which may include options to extend the leases and some of which may include options to terminate the leases within 1 year.

The following table summarizes the amount of right-of-use lease assets and lease liabilities included in each respective line item on the Company's Condensed Consolidated Balance Sheets:

(Thousands)	Balance Sheet Location	June 30, 2025	December 31, 2024
Right-of-use operating lease assets	Operating lease right-of-use assets	\$ 61,955	\$ 63,380
Operating lease liabilities - current	Accrued expenses and other current liabilities	4,666	4,420
Operating lease liabilities - noncurrent	Operating lease liabilities	59,553	60,692

During the six months ended June 30, 2025 and 2024, the Company obtained approximately \$1.2 million and \$1.0 million, respectively, of right-of-use operating lease assets in exchange for lease obligations.

On February 12, 2024, following the completion of its 530,000 square foot distribution center in Conway, Arkansas, the Company entered into a lease termination agreement for the Gregory Distribution Center lease. The Gregory Distribution Center lease terminated, by mutual agreement, on June 30, 2024. No costs were incurred as a result of the lease termination. This lease termination event does not significantly alter the Company's operational capabilities or its financial position.

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Depending on the nature of the lease, lease costs are classified within costs of sales or selling, general and administrative expense on the Company's Condensed Consolidated Statements of Operations. The components of lease costs for the three and six months ended June 30, 2025 and 2024, respectively, are as follows:

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 2,536	\$ 2,772	\$ 5,012	\$ 5,564
Short-term lease cost	361	228	567	461
Total	\$ 2,897	\$ 3,000	\$ 5,579	\$ 6,025

The following table presents information about the Company's weighted average discount rate and remaining lease term as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Weighted-average discount rate	7.8%	7.7%
Weighted-average remaining lease term	11.8 years	12.1 years

Supplemental cash flow information about the Company's leases as of June 30, 2025 and 2024, respectively, is as follows:

(Thousands)	Six Months Ended June 30,	
	2025	2024
Cash paid related to operating lease liabilities	\$ 4,564	\$ 4,981

Finance lease assets are recorded in property, plant and equipment, net with the corresponding lease liabilities included in accrued expenses and other current liabilities and long-term debt, net on the Condensed Consolidated Balance Sheets. There were no material finance leases as of June 30, 2025.

Future minimum lease payments under non-cancellable operating leases as of June 30, 2025 are as follows:

(Thousands)	
2025	\$ 5,244
2026	8,916
2027	8,736
2028	8,141
2029	8,184
Thereafter	62,299
Total future minimum lease payments	101,520
Less: imputed interest	(37,301)
Present value of minimum lease payments	\$ 64,219

Note 10. Debt

Our long-term debt at June 30, 2025 and December 31, 2024 is as follows:

(Thousands)	June 30, 2025	December 31, 2024
Term loan facility	\$ 150,938	\$ 155,313
Delayed draw term loan facility	46,875	48,125
Revolving credit facility	172,500	112,500
Convertible notes payable	72,000	72,000
International trade finance lines	75,170	54,659
International notes payable	4,500	5,111
Other loans	14	19
Total debt	521,997	447,727
Unamortized debt costs	(3,037)	(3,425)
Current maturities of long-term debt	(16,469)	(14,057)
Convertible notes payable - related party, net	(49,741)	(49,706)
Short-term debt	(75,170)	(54,659)
Long-term debt, net	<u>\$ 377,580</u>	<u>\$ 325,880</u>

Credit Agreement

The Company is party to a credit agreement (as amended, modified or supplemented, the “Credit Agreement”) among the Company, Westrock Beverage Solutions, LLC, as the borrower (the “Borrower”), Wells Fargo Bank, N.A., as administrative agent, collateral agent, and swingline lender, Wells Fargo Securities, LLC, as sustainability structuring agent, and each issuing bank and lender party thereto. The Credit Agreement includes (a) a senior secured first lien revolving credit facility in an aggregate principal amount of \$200.0 million (the “Revolving Credit Facility”), (b) a senior secured first lien term loan facility in an aggregate principal amount of \$175.0 million (the “Term Loan Facility”), and (c) incremental term loan commitments in the form of a senior secured delayed draw term loan credit facility (the “Delayed Draw Term Loan Facility”) in the aggregate principal amount of \$50.0 million. The Revolving Credit Facility, the Term Loan Facility and the Delayed Draw Term Loan Facility will mature on August 29, 2027. All obligations under the Credit Agreement are guaranteed by the Company and each of the Borrower’s domestic subsidiaries, which comprise our Beverage Solutions segment, and are secured by substantially all of the Company’s assets.

Borrowings under the Revolving Credit Facility, the Term Loan Facility and the Delayed Draw Term Loan Facility will bear interest, at the Borrower’s option, initially at an annual rate equal to (a) term SOFR plus a credit spread adjustment of 0.10% for loans with an interest period of one month, 0.15% for loans with an interest period of three months and 0.25% for loans with an interest period of six months, as applicable, (the “Adjusted Term SOFR”) or (b) the base rate (determined by reference to the greatest of (i) the rate of interest last quoted by The Wall Street Journal in the United States as the prime rate in effect, (ii) the NYFRB Rate from time to time plus 0.50% and (iii) the Adjusted Term SOFR for a one month interest period plus 1.00%, (the “Base Rate”)), in each case plus an applicable margin.

At June 30, 2025, we had \$172.5 million of outstanding borrowings under the Revolving Credit Facility, with a weighted average interest rate of 8.2%, and we had \$2.6 million of standby letters of credit outstanding. At June 30, 2025, the interest rate applicable to our Term Loan Facility was 8.2% and the interest rate applicable to our Delayed Draw Term Loan Facility was 8.3%.

On February 15, 2024, the Borrower entered into Amendment No. 3 (the “Third Amendment”) to the Credit Agreement. The Third Amendment modified the existing covenant relief period (the “Covenant Relief Period”), which commenced on June 30, 2023 and will end on the earlier to occur of (i) April 1, 2026 and (ii) any date following June 30, 2024, on which the Borrower elects to terminate the Covenant Relief Period subject to satisfaction of certain conditions. During the Covenant Relief Period, the Company’s ability to incur additional indebtedness and make investments, restricted payments and junior debt restricted payments will be more limited. The Third Amendment permits the Company to issue convertible notes, including the Convertible Notes (as defined below).

During the Covenant Relief Period, the applicable margin for any term SOFR rate loan will range from 3.00% to 4.00% and for any ABR loan will range from 2.00% to 3.00%, in each case depending on the secured net leverage ratio. After the Covenant Relief Period, the applicable margin for any term SOFR rate loan will range from 2.00% to 3.00% and for any ABR loan will range from 1.00% to 2.00%, in each case depending on the secured net leverage ratio.

The Credit Agreement, as amended through the Third Amendment, required the Borrower to maintain compliance with (i) a secured net leverage ratio at levels ranging from 4.50:1.00 to 6.25:1.00 and stepping down to 4.50:1.00 by April 2026 (which has been further amended by the Fourth Amendment, as discussed below) and (ii) an interest coverage ratio of at least 1.50:1.00 on and prior to September 30, 2025 and at least 2.00:1.00 on December 31, 2025 and thereafter. The Credit Agreement, as amended through the Third Amendment, also included (i) a minimum liquidity covenant requiring the Borrower not to permit its liquidity, measured as of the last business day of each calendar month commencing March 29, 2024, to be less than \$15.0 million and (ii) an anti-cash hoarding covenant, which shall be effective only during the Covenant Relief Period, requiring the Borrower to have no more than \$20.0 million of unrestricted cash on the last day of each calendar month when revolving loans or letters of credit are outstanding or on the date of borrowing of a revolving loan.

On January 15, 2025, the Company entered into an Incremental Assumption Agreement and Amendment No. 4 (the “Fourth Amendment”) to the Credit Agreement. The Fourth Amendment expanded the syndicate to include member banks from the Farm Credit System and increased the amount of revolving facility commitments (the “Existing Revolving Facility Commitments”, and any loans thereunder, the “Existing Revolving Loans”) available to the Borrower under the Credit Agreement by \$25.0 million (the “Incremental Revolving Facility Commitments” and any loans thereunder, the “Incremental Revolving Loans”). The amount of revolving facility commitments available to the Borrower under the Credit Agreement, as amended, is \$200.0 million. The Incremental Revolving Facility Commitments and the Incremental Revolving Loans are subject to the same interest rates, commitment fees, maturity dates and other terms as the Existing Revolving Facility Commitments and the Existing Revolving Loans. The proceeds from any Incremental Revolving Loans will be used by the Company to fund the previously announced installation of a second ready-to-drink can line at the Conway Facility, and for general corporate purposes.

The Fourth Amendment also modified the secured net leverage ratio that the Company must comply with during the Covenant Relief Period to increase the maximum secured net leverage ratio to (a) 6.00x for the test period ending June 30, 2025, (b) 5.50x for the test period ending September 30, 2025, and (c) 5.25x for the test period ending December 31, 2025. In addition, the minimum liquidity covenant will not apply after the Covenant Relief Period ends. As of June 30, 2025, the Company was in compliance with its financial covenants.

We incurred a total of \$1.4 million in financing fees in connection with the Fourth Amendment. The fees were allocated to the Revolving Credit Facility, are reported within other long-term assets on the Condensed Consolidated Balance Sheets and are being amortized ratably over the remaining term of the Revolving Credit Facility.

The Term Loan Facility and Delayed Draw Term Loan Facility require quarterly principal payments totaling approximately \$2.8 million (1.25% of the original principal balance). Quarterly payments increase to approximately \$4.2 million and \$5.6 million (1.875% and 2.5% of the original principal balance) during the final two years of the agreements, respectively.

Convertible Notes

On February 15, 2024, the Company sold and issued in a private placement \$72.0 million in aggregate principal amount of 5.00% convertible senior notes due 2029 (the “Convertible Notes”), of which \$50.0 million was from related parties (See Note 20). The Convertible Notes are unsecured, senior obligations of the Company and accrue interest at a rate of 5.00% per annum.

The Convertible Notes are carried at amortized cost and are recorded in long-term debt, net and convertible notes payable – related party, net on the Condensed Consolidated Balance Sheets. At June 30, 2025, the carrying value of the Convertible Notes was \$71.6 million, of which \$49.7 million was from related parties. We incurred a total of \$0.5 million of financing fees in connection with the Convertible Notes, which were ratably allocated to the convertible notes

payable and the convertible notes payable – related party, respectively, and are being amortized into interest expense over the remaining term of the Convertible Notes utilizing the effective interest rate method.

Pursuant to the terms of the Convertible Notes, noteholders may convert their Convertible Notes at their option only in the following circumstances: (i) during the period commencing on August 15, 2024, and prior to the close of business on the trading day immediately preceding August 15, 2028, if the closing price for at least 20 trading days (whether or not consecutive) during the period of any 30 consecutive trading days in the immediately preceding calendar quarter is equal to or greater than 130% of the conversion price; (ii) during the period commencing on August 15, 2028, and prior to the close of business on the second scheduled trading day immediately preceding February 15, 2029, at any time; and (iii) during the 35 trading days following the effective date of certain fundamental change transactions that occur prior to the close of business on the trading day immediately preceding August 15, 2028.

The Company will settle conversions by paying or delivering, as applicable, at the Company's election, cash, common stock, par value \$0.01 per share ("Common Shares"), or a combination of cash and Common Shares. The Company may not issue more than 19.99% of the issued and outstanding Common Shares immediately prior to the issuance of the Convertible Notes in respect of the conversion of the Convertible Notes. The initial conversion price of the Convertible Notes is \$12.84, which corresponds to an initial conversion rate of approximately 77.88 Common Shares per \$1,000 principal amount of Convertible Notes. The conversion price and conversion rate are subject to customary adjustments.

International Debt and Lending Facilities

On March 8, 2024, Falcon Coffees Limited ("Falcon"), our subsidiary, renewed its working capital trade finance facility with multiple institutions. The facility size was reduced from \$70.0 million to \$55.0 million and was uncommitted and repayable on demand, with certain of Falcon's assets pledged as collateral against the facility. The facility matured one year from inception. Borrowings under the facility bore interest at the borrower's option at a rate equal to (a) Term SOFR plus a margin of 4.00% plus a liquidity premium set by the lender at the time of borrowing or (b) the Base Rate (determined by reference to the greatest of (i) the Prime Rate, as defined in the facility, at such time, (ii) one-half of 1.00% in excess of the Federal Funds Effective Rate, as defined in the facility, at such time, and (iii) Term SOFR for a one-month tenor in effect at such time plus 1.00%).

On August 21, 2024, Falcon amended its working capital trade finance facility, increasing the facility size from \$55.0 million to \$75.0 million. The interest rates and maturity date were unchanged as a result of the amendment.

On March 7, 2025, Falcon renewed its working capital trade finance facility with multiple institutions. The facility size was increased from \$75.0 million to \$85.0 million and remains uncommitted and repayable on demand, with certain of Falcon's assets pledged as collateral against the facility. The facility will mature one year from inception. Borrowings under the facility bear interest at the borrower's option at a rate equal to (a) Term SOFR plus a margin of 4.00% plus a liquidity premium set by the lender at the time of borrowing or (b) the Base Rate (determined by reference to the greatest of (i) the Prime Rate, as defined in the facility, at such time, (ii) one-half of 1.00% in excess of the Federal Funds Effective Rate, as defined in the facility, at such time, and (iii) Term SOFR for a one-month tenor in effect at such time plus 1.00%).

At June 30, 2025, there was \$75.2 million of outstanding borrowings under the facility, which is recorded in short-term debt in the Condensed Consolidated Balance Sheets. Falcon's facility contains certain restrictive financial covenants which require Falcon to maintain certain levels of working capital, debt, and net worth. Falcon was in compliance with these financial covenants as of June 30, 2025.

On September 28, 2023, we entered into a \$5.0 million unsecured working capital trade finance facility with responsAbility Climate Smart Agriculture & Food Systems Fund through Falcon. The facility will mature on December 31, 2026, and requires stepped repayments of \$0.5 million on December 31, 2024, \$1.0 million on December 31, 2025 and \$3.5 million on December 31, 2026. Borrowings under the facility bear interest at the borrower's option at a rate equal to (a) (i) the most recent applicable Term SOFR for the longest period (for which Term SOFR is available) which is less than the applicable interest period of the loan or (ii) if no such Term SOFR is available for a period which is less than the applicable interest period, SOFR for the day which is two U.S. Government Securities Business Days, as

defined in the facility, before the Quotation Day, as defined in the facility; or (b) the most recent applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the applicable interest period of that loan, in each case plus the applicable margin. At June 30, 2025, there was \$4.5 million of outstanding borrowings under the facility, of which \$3.5 million and \$1.0 million is recorded in long-term debt, net and current maturities of long-term debt, respectively, on the Condensed Consolidated Balance Sheets. Falcon's facility contains certain restrictive financial covenants which require Falcon to maintain certain levels of working capital, debt, and tangible net worth. Falcon was in compliance with these financial covenants as of June 30, 2025.

Note 11. Series A Preferred Shares

The Company has 23,510,527 Westrock Series A Preferred Shares outstanding, which rank senior to the Common Shares with respect to dividend rights and/or distribution rights upon the liquidation, winding up or dissolution, as applicable, of Westrock. Each holder of Westrock Series A Preferred Shares is entitled to vote, on an as-converted basis, as a single class with the holders of Common Shares and the holders of any other class or series of capital stock of Westrock then entitled to vote with the Common Shares on all matters submitted to a vote of the holders of Common Shares.

The initial liquidation preference of Westrock Series A Preferred Shares is \$11.50 per share, plus any declared but unpaid dividends and subject to accretion under certain circumstances. In the event of our liquidation, dissolution or winding up, holders of Westrock Series A Preferred Shares are entitled to receive, per Westrock Series A Preferred Share, the greater of (a) the liquidation preference and (b) the amount such holder would have received had they converted their Westrock Series A Preferred Shares into Common Shares immediately prior to such liquidation event.

Holders of Westrock Series A Preferred Shares may voluntarily convert their Westrock Series A Preferred Shares into a whole number of Common Shares at any time at a rate equal to the quotient of (a) the liquidation preference as of the applicable conversion date, divided by (b) the conversion price as of the applicable conversion date, which is currently \$11.50 per Westrock Series A Preferred Share, plus cash in lieu of fractional shares. The initial conversion price of \$11.50 per Westrock Series A Preferred Share is subject to customary adjustments for the issuance of Common Shares as a dividend or distribution to the holders of Common Shares, a subdivision or combination of the Common Shares, reclassification of the Common Shares into a greater or lesser number of Common Shares, certain tender or exchange offers for the Common Shares, and issuances of Common Shares below a specified price.

After February 26, 2028, any holder of Westrock Series A Preferred Shares may require Westrock to redeem all or any whole number of such holder's Westrock Series A Preferred Shares in cash, subject to applicable law and the terms of any credit agreement or similar arrangement pursuant to which a third-party lender provides debt financing to Westrock or its subsidiaries, at a redemption price per share equal to the greater of (a) the liquidation preference and (b) the product of (i) the number of Common Shares that would have been obtained from converting one Westrock Series A Preferred Share on the redemption notice date and (ii) the simple average of the daily volume weighted average price per Common Share for the ten trading days ending on and including the trading day immediately preceding the redemption notice date. Assuming that the liquidation preference of the Series A Preferred Shares remains \$11.50 per share and all 23,510,527 Series A Preferred Shares outstanding at June 30, 2025 remain outstanding after February 26, 2028, we estimate an aggregate redemption payment of at least approximately \$270.4 million.

At any time after February 26, 2028, Westrock may redeem, ratably, in whole or, from time to time in part, the Westrock Series A Preferred Shares of any holder then outstanding at the redemption price in cash, equal to the greater of (i) the liquidation preference and (ii) the product of (x) the number of Common Shares that would have been obtained from converting one Westrock Series A Preferred Share on the date of the exercise of such call is notified by Westrock (including fractional shares for this purpose) and (y) the simple average of the daily volume weighted average price per Common Share for the ten trading days ending on and including the trading day immediately preceding the date of the exercise of such call by Westrock. The redemption price for the Westrock Series A Preferred Shares held by controlled affiliates of Brown Brothers Harriman & Co. ("BBH Investors") may not be less than the \$18.50 per Westrock Series A Preferred Share (subject to adjustments); provided that, Westrock may redeem such shares in such a case if it pays an incremental price per share on the redemption date to the BBH Investors equal to the difference between \$18.50 (subject to adjustments) and the redemption price otherwise.

Upon issuance, the Westrock Series A Preferred Shares were recorded on our Condensed Consolidated Balance Sheets at fair value. Subsequently, the Company will accrete changes in the redemption value from the date of issuance to the earliest redemption date using the effective interest rate method. The accretion will be recorded as a deemed dividend, which adjusts retained earnings (or in the absence of retained earnings, additional paid-in capital) and earnings attributable to common shareholders in computing basic and diluted earnings per share. However, at no time will the Westrock Series A Preferred Shares be reported at a value less than its initial carrying value. For the three and six months ended June 30, 2025, the Company recorded \$0.1 million and \$0.2 million of amortization, respectively, with respect to the Westrock Series A Preferred Shares. For the three and six months ended June 30, 2024, the Company recorded \$0.1 million and \$0.2 million of amortization, respectively, with respect to the Westrock Series A Preferred Shares.

Note 12. Common Stock Warrants

We account for warrants in accordance with the guidance contained in ASC 815, under which the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, we classify the warrants as liabilities at their fair value and adjust the warrants to fair value at each reporting period. The liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Condensed Consolidated Statements of Operations.

The Company re-measures the fair value of the Westrock Public Warrants (defined below) based on the quoted market price of the Westrock Public Warrants. Prior to the Offer described below, the Westrock Private Warrants (defined below) were valued using a binomial lattice valuation model. For the three and six months ended June 30, 2024, the Company recognized \$1.6 million and \$1.7 million, respectively, of gains related to the change in fair value of warrant liabilities, which is recognized in other (income) expense in the Condensed Consolidated Statements of Operations. No such gains or losses were recognized during the three and six months ended June 30, 2025.

On August 28, 2024, the Company announced that it had commenced an exchange offer (the “Offer”) and consent solicitation (the “Consent Solicitation”) relating to its outstanding (i) public warrants to purchase Common Shares, which warrants trade on The Nasdaq Global Market (the “Nasdaq”) under the symbol “WESTW” (the “Westrock Public Warrants”), and (ii) private placement warrants to purchase Common Shares (the “Westrock Private Warrants” and, together with the Westrock Public Warrants, the “Westrock Warrants”). The Company offered to all holders of the Westrock Warrants the opportunity to receive 0.290 Common Shares in exchange for each of the Westrock Warrants tendered pursuant to the Offer.

The Offer and Consent Solicitation expired on September 26, 2024 (the “Expiration Date”). As of the Expiration Date, (x) 16,676,541 outstanding Westrock Public Warrants were validly tendered and not validly withdrawn in the Offer and Consent Solicitation, representing approximately 97.42% of the Westrock Public Warrants and (y) 2,026,046 outstanding Westrock Private Warrants were validly tendered and not validly withdrawn in the Offer and Consent Solicitation, representing 100% of the Westrock Private Warrants. On September 30, 2024, the Company issued 5,423,681 Common Shares in exchange for the tendered Westrock Warrants.

Concurrently with the Offer, the Company also solicited consents from the holders of each of the Westrock Public Warrants and the Westrock Private Warrants to amend that certain Warrant Agreement, dated as of August 25, 2022, by and between the Company and Computershare Inc., a Delaware corporation, and its affiliate, Computershare Trust Company, N.A., a federally chartered trust company, as warrant agent (the “Warrant Agent”), which governs all of the Westrock Warrants (the “Warrant Agreement”), to permit the Company to require that (x) each Westrock Public Warrant that is outstanding upon the closing of the Offer be exchanged for 0.261 common shares, which is a ratio 10% less than the exchange ratio applicable to the Offer and (y) each Westrock Private Warrant that is outstanding upon the closing of the Offer be exchanged for 0.261 common shares, which is a ratio 10% less than the exchange ratio applicable to the Offer (such amendment, the “Warrant Amendment”).

Pursuant to the Consent Solicitation, the Company received the approval of holders of approximately 97.42% of the outstanding Westrock Public Warrants and 100% of the outstanding Westrock Private Warrants to adopt the Warrant Amendment, which exceeded (x) the 50% threshold of the outstanding Westrock Public Warrants required to amend the

Warrant Agreement with respect to the Westrock Public Warrants and (y) the 50% threshold of the outstanding Westrock Private Warrants required to amend the Warrant Agreement with respect to the Westrock Private Warrants.

Accordingly, the Company and the Warrant Agent entered into the Warrant Amendment, dated September 30, 2024. On September 30, 2024, the Company announced that it would exercise its right, in accordance with the terms of the Warrant Amendment, to exchange each Westrock Public Warrant that is outstanding following the closing of the Offer for 0.261 Common Shares per warrant (the “Post-Offer Exchange”). The Company fixed the date for the Post-Offer Exchange as October 15, 2024.

On October 16, 2024, the Post-Offer Exchange related to the Westrock Public Warrants was completed, resulting in the issuance of 115,220 Common Shares in exchange for then outstanding Westrock Public Warrants. Following the completion of the Post-Offer Exchange, no Westrock Warrants remain outstanding. Accordingly, the Westrock Public Warrants were suspended from trading on the Nasdaq as of the close of business on October 15, 2024, and were delisted.

Note 13. Derivatives

We record all derivatives, whether designated in a hedging relationship or not, at fair value on the Condensed Consolidated Balance Sheets. We use various types of derivative instruments including, but not limited to, forward contracts, futures contracts, and options contracts for certain commodities. Forward and futures contracts are agreements to buy or sell a quantity of a commodity at a predetermined future date, and at a predetermined rate or price. Forward contracts are traded over the counter whereas futures contracts are traded on an exchange. Option contracts are agreements to facilitate a potential transaction involving the commodity at a preset price and date.

The accounting for gains and losses that result from changes in the fair values of derivative instruments depends on whether the derivatives have been designated and qualify as hedging instruments and the types of hedging relationships. Derivatives can be designated as fair value hedges, cash flow hedges or hedges of net investments in foreign operations. The changes in the fair values of derivatives that have not been designated and for which hedge accounting is not applied, are recorded in the same line item in our Condensed Consolidated Statements of Operations as the changes in the fair value of the hedged items attributable to the risk being hedged. The changes in fair values of derivatives that have been designated and qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) (“AOCI”) and are reclassified into the line item in the Condensed Consolidated Statements of Operations in which the hedged items are recorded in the same period the hedged items affect earnings.

For derivatives that will be accounted for as hedging instruments, we formally designate and document, at inception, the financial instrument as a hedge of a specific underlying exposure, the risk management objective and the strategy for undertaking the hedge transaction. In addition, we formally assess both at the inception and at least quarterly thereafter, whether the financial instruments used in hedging transactions are highly effective at offsetting changes in either the fair values or cash flows of the related underlying exposures.

We use cash flow hedges to minimize the variability in cash flows of assets or liabilities or forecasted transactions caused by fluctuations in commodity prices. The changes in fair values of hedges that are determined to be ineffective are immediately reclassified from AOCI into earnings. We did not discontinue any cash flow hedging relationships during the six months ended June 30, 2025 and 2024.

Within our Beverage Solutions segment, we have entered into coffee futures contracts to hedge our exposure to price fluctuations on green coffee associated with certain price-to-be-fixed purchase contracts, which generally range from three to twelve months in length. These derivative instruments have been designated as cash flow hedges. The objective of this hedging program is to reduce the variability of cash flows associated with future purchases of green coffee.

The notional amount for the coffee futures contracts that were designated and qualified for our commodity cash flow hedging program was 49.2 million pounds and 11.0 million pounds as of June 30, 2025 and December 31, 2024, respectively. During the three and six months ended June 30, 2025, the Company purchased coffee futures contracts and coffee options contracts under our cash flow hedging program with aggregate notional amounts of 53.3 million pounds and 99.9 million pounds, respectively. During the three and six months ended June 30, 2024, the Company purchased

coffee futures contracts and coffee options contracts under our cash flow hedging program with aggregate notional amounts of 20.1 million pounds and 30.0 million pounds, respectively.

Approximately \$12.1 million and \$22.3 million of net realized gains, representing the effective portion of the cash flow hedge, were subsequently reclassified from AOCI to earnings and recognized in costs of sales in the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2025, respectively. Approximately \$3.5 million and \$3.6 million of net realized gains, representing the effective portion of the cash flow hedge, were subsequently reclassified from AOCI to earnings and recognized in costs of sales in the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2024, respectively. As of June 30, 2025, the estimated amount of net losses reported in AOCI that is expected to be reclassified to the Condensed Consolidated Statements of Operations within the next twelve months is \$18.0 million.

Within our Sustainable Sourcing & Traceability segment, the Company's forward sales and forward purchase contracts are for physical delivery of green coffee in a future period. While the Company considers these contracts to be effective economic hedges, the Company does not designate or account for forward sales or forward purchase contracts as hedges as defined under current accounting standards. See Note 4 for a description of the treatment of realized and unrealized gains and losses on forward sales and forward purchase contracts.

The fair value of our derivative assets and liabilities included in the Condensed Consolidated Balance Sheets are set forth below:

(Thousands)	Balance Sheet Location	June 30, 2025	December 31, 2024
Derivative assets designated as cash flow hedging instruments:			
Coffee futures contracts ⁽¹⁾	Derivative assets	\$ —	\$ 3,815
Options contracts ⁽²⁾	Derivative assets	—	228
Total		\$ —	\$ 4,043
Derivative assets not designated as cash flow hedging instruments:			
Forward purchase and sales contracts	Derivative assets	\$ 28,176	\$ 15,703
Total		28,176	15,703
Total derivative assets		<u>\$ 28,176</u>	<u>\$ 19,746</u>
Derivative liabilities designated as cash flow hedging instruments:			
Coffee futures contracts ⁽¹⁾	Derivative liabilities	\$ 23,316	\$ —
Options contracts ⁽²⁾	Derivative liabilities	1,795	—
Total		\$ 25,111	\$ —
Derivative liabilities not designated as cash flow hedging instruments:			
Forward purchase and sales contracts	Derivative liabilities	\$ 9,988	\$ 11,966
Total derivative liabilities		<u>\$ 35,099</u>	<u>\$ 11,966</u>

1 - The fair value of coffee futures excludes amounts related to margin accounts.

2 - Option contracts include counterparty netting.

The following table presents the pre-tax net gains and losses for our derivative instruments for the three and six months ended June 30, 2025 and 2024, respectively:

(Thousands)	Statement of Operations Location	Three Months Ended June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Derivative assets designated as cash flow hedging instruments:					
Net realized gains (losses) on coffee derivatives	Costs of sales	\$ 12,121	\$ 3,480	\$ 22,283	\$ 3,572
Derivative assets and liabilities not designated as cash flow hedging instruments:					
Net unrealized gains (losses) on forward sales and purchase contracts	Costs of sales	\$ 10,596	\$ (141)	\$ 14,190	\$ 2,200

Note 14. Fair Value Measurements

ASC 820, *Fair Value Measurements*, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company groups its assets and liabilities at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1—Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2—Valuation is based upon inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. interest rate and yield curves observable at commonly quoted intervals, default rates, etc.). Observable inputs include quoted prices for similar instruments in active and non-active markets. Level 2 includes those financial instruments that are valued with industry standard valuation models that incorporate inputs that are observable in the marketplace throughout the full term of the instrument or can otherwise be derived from or supported by observable market data in the marketplace. Level 2 inputs may also include insignificant adjustments to market observable inputs.
- Level 3—Valuation is based upon one or more unobservable inputs that are significant in establishing a fair value estimate. These unobservable inputs are used to the extent relevant observable inputs are not available and are developed based on the best information available. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

The following table summarizes the fair value of financial instruments at June 30, 2025:

(Thousands)	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Green coffee associated with forward contracts	\$ —	\$ 52,646	\$ —	\$ 52,646
Coffee futures contracts	—	—	—	—
Options contracts ⁽¹⁾	—	—	—	—
Forward purchase and sales contracts	—	28,176	—	28,176
Total	\$ —	\$ 80,822	\$ —	\$ 80,822
Liabilities:				
Coffee futures contracts	\$ 23,316	\$ —	\$ —	\$ 23,316
Options contracts ⁽¹⁾	1,795	—	—	1,795
Forward purchase and sales contracts	—	9,988	—	9,988
Total	\$ 25,111	\$ 9,988	\$ —	\$ 35,099

1 - Option contracts include counterparty netting.

The following table summarizes the fair value of financial instruments at December 31, 2024:

(Thousands)	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Green coffee associated with forward contracts	\$ —	\$ 47,644	\$ —	\$ 47,644
Coffee futures contracts	3,815	—	—	3,815
Options contracts	228	—	—	228
Forward purchase and sales contracts	—	15,703	—	15,703
Total	\$ 4,043	\$ 63,347	\$ —	\$ 67,390
Liabilities:				
Forward purchase and sales contracts	—	11,966	—	11,966
Total	\$ —	\$ 11,966	\$ —	\$ 11,966

Financial instruments consist primarily of cash, accounts receivable, accounts payable, supply chain finance program obligations, inventory repurchase obligations, convertible notes payable, short-term debt and long-term debt. The carrying amount of cash, accounts receivable, accounts payable, short-term debt and the supply chain finance program was estimated by management to approximate fair value due to the relatively short period of time to maturity for those instruments. The Term Loan Facility, Delayed Draw Term Loan Facility and Revolving Credit Facility are carried on the Condensed Consolidated Balance Sheets at amortized cost and are estimated by management to approximate fair value as of June 30, 2025, as the interest rate on these facilities is adjusted for changes in the market rates. The fair value of the Term Loan Facility, Delayed Draw Term Loan Facility and Revolving Credit Facility was determined based on Level 2 inputs under the fair value hierarchy.

Coffee futures contracts and coffee options are valued based on quoted market prices. The estimated fair value for green coffee inventories associated with forward contracts and forward sales and purchase contracts are based on exchange-quoted prices, adjusted for differences in origin, quantity, quality, and future delivery period, as the exchange quoted prices represent standardized terms for the commodity. These adjustments are generally determined using broker or dealer quotes or based upon observable market transactions. As a result, green coffee associated with forward contracts and forward sales and purchase contracts are classified within Level 2 of the fair value hierarchy.

The Convertible Notes are carried on the Condensed Consolidated Balance Sheets at amortized cost. The estimated fair value of the Convertible Notes was \$60.0 million as of June 30, 2025, and was determined using a binomial lattice

model, which is considered to be a Level 3 fair value measurement. The primary unobservable inputs at June 30, 2025 include the expected volatility and assumed debt yield of 50.0% and 14.7%, respectively.

Non-financial assets and liabilities, including property, plant and equipment, goodwill and intangible assets are measured at fair value on a non-recurring basis. No events occurred during the three and six months ended June 30, 2025 or 2024, requiring these non-financial assets and liabilities to be subsequently recognized at fair value, with the exception of the \$0.8 million impairment charge on equipment related to the restructuring activities disclosed in Note 3.

At June 30, 2025, the Company had an equity investment with a carrying value of approximately \$1.0 million, for which there is no readily determinable fair value. This investment is recorded at cost within other long-term assets on the Condensed Consolidated Balance Sheets. As of June 30, 2025, there have been no adjustments, upward or downward, to the carrying value.

Note 15. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss), net of tax by component for the three and six months ended June 30, 2025 and 2024 are as follows:

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Unrealized gain (loss) on derivative instruments:				
Balance at beginning of period	\$ 18,095	\$ 3,548	\$ 18,863	\$ 3,362
Other comprehensive income (loss) before reclassifications	(23,945)	8,541	(14,567)	8,878
Amounts reclassified from accumulated comprehensive income	(12,121)	(3,480)	(22,283)	(3,572)
Tax effect	68	(1,241)	84	(1,300)
Balance at end of period	(17,903)	7,368	(17,903)	7,368
Foreign currency translation adjustment				
Balance at beginning of period	768	486	721	456
Other comprehensive income (loss) before reclassifications	17	51	64	81
Amounts reclassified from accumulated comprehensive income	(440)	—	(440)	—
Tax effect	—	—	—	—
Balance at end of period	345	537	345	537
Accumulated other comprehensive income (loss) at end of period	\$ (17,558)	\$ 7,905	\$ (17,558)	\$ 7,905

Note 16. Equity-Based Compensation

The Company grants restricted stock units (“RSUs”) under the Westrock Coffee Company 2022 Equity Incentive Plan (the “2022 Equity Plan”). RSUs may contain a service, market or performance condition on which vesting is based.

Service-based RSUs vest in equal installments on anniversaries of the grant date over the explicit service period, which ranges from one to four years. The Company recognizes the expense relating to these units on a straight-line basis over the vesting period.

Performance-based RSUs vest upon satisfaction of the Company’s achievement of certain pre-defined performance targets during a stated performance period and are subject to the employee’s continuing employment throughout. The Company recognizes the expense relating to these units over the explicit service period, based on the probability of achievement of the performance targets.

Market-based RSUs vest upon the Company’s achievement of certain stock price targets over a stated measurement period, subject to the employee’s continuing employment throughout. The Company recognizes the expense relating to these units over the derived service period, even if the market condition is not achieved.

The Company recognizes equity-based compensation expense, for its RSU awards, in an amount equal to the grant-date fair value of the respective award. The fair value of service-based RSUs and performance-based RSUs is based on the

closing price of the Company’s common stock on the grant date. For market-based RSUs granted during the six months ended June 30, 2025, the Company estimated the fair value of the market-based RSUs on the grant date using a Monte Carlo simulation model with the following assumptions: (i) expected term of 2.8 years, (ii) expected volatility of 50.0% and (iii) risk-free interest rate of 3.8%.

Compensation costs associated with service-based RSUs and performance-based RSUs are recognized only for those awards that ultimately vest, whereas compensation costs associated with market-based RSUs are recognized even if the market condition is never satisfied.

During the six months ended June 30, 2025, the Company granted 1.5 million RSUs with an aggregate fair value of \$9.0 million to certain employees and non-employee directors under the 2022 Equity Plan. As of June 30, 2025, there were 3.1 million shares available for future issuance under the 2022 Equity Plan.

The following table sets forth the RSU activity under the 2022 Equity Plan for the six months ended June 30, 2025:

	Service-based Restricted Stock Units		Performance-based Restricted Stock Units		Market-based Restricted Stock Units	
	Units	Weighted-Average Fair Value at Grant Date	Units	Weighted-Average Fair Value at Grant Date	Units	Weighted-Average Fair Value at Grant Date
Outstanding at December 31, 2024	2,444,228	\$ 10.44	—	\$ —	—	\$ —
Granted	295,654	6.81	607,610	7.01	607,644	4.52
Forfeited	(11,159)	10.19	—	—	—	—
Vested	(712,983)	10.83	—	—	—	—
Outstanding at June 30, 2025	2,015,740	\$ 9.78	607,610	\$ 7.01	607,644	\$ 4.52

Note 17. Earnings per Share

Westrock Series A Preferred Shares and our RSUs issued under our 2022 Equity Plan are considered participating securities as they receive non-forfeitable rights to dividends at the same rate as Common Shares. As participating securities, we include these instruments in the computation of earnings per share under the two-class method described in ASC 260 *Earnings per Share* (“ASC 260”).

The dilutive effect of Westrock Series A Preferred Shares and the Convertible Notes is calculated using the if-converted method, which assumes an add-back of any accretion on preferred shares and interest expense associated with the Convertible Notes to net income attributable to shareholders as if the securities were converted to Common Shares at the beginning of the reporting period (or at the time of issuance, if later), and the resulting Common Shares being included in the number of weighted-average units outstanding.

The dilutive effect of time-based option awards and RSUs is calculated using the treasury stock method, while performance-based awards are treated as contingently issuable.

The following potentially dilutive securities were excluded from the computation of diluted shares for the periods indicated because their inclusion would have an anti-dilutive effect on dilutive earnings (loss) per common share.

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Warrants	—	19,144	—	19,144
Restricted stock units	1,947	2,860	2,147	2,504
Options	1,255	1,316	1,255	1,322
If-converted securities	34,671	30,517	34,568	25,278

The following table sets forth the computation of basic and diluted earnings per share under the two-class method for the periods indicated:

(Thousands, except per share data)	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Basic Earnings per Common Share				
Numerator:				
Net income (loss) attributable to common shareholders	\$ (21,477)	\$ (17,672)	\$ (48,609)	\$ (41,258)
Denominator:				
Weighted-average common shares outstanding - basic	94,661	88,323	94,480	88,209
Basic earnings (loss) per common share	<u>\$ (0.23)</u>	<u>\$ (0.20)</u>	<u>\$ (0.51)</u>	<u>\$ (0.47)</u>
Diluted Earnings per Common Share				
Numerator:				
Net income (loss) attributable to common shareholders - basic	\$ (21,477)	\$ (17,672)	\$ (48,609)	\$ (41,258)
Effect of participating securities	—	—	—	—
Effect of non-participating securities	—	—	—	—
Net income (loss) attributable to common shareholders - diluted	<u>\$ (21,477)</u>	<u>\$ (17,672)</u>	<u>\$ (48,609)</u>	<u>\$ (41,258)</u>
Denominator:				
Weighted-average common shares outstanding - basic	94,661	88,323	94,480	88,209
Effect of dilutive participating securities	—	—	—	—
Effect of dilutive non-participating securities	—	—	—	—
Weighted-average common shares outstanding - diluted	<u>94,661</u>	<u>88,323</u>	<u>94,480</u>	<u>88,209</u>
Dilutive (loss) earnings per common share	<u>\$ (0.23)</u>	<u>\$ (0.20)</u>	<u>\$ (0.51)</u>	<u>\$ (0.47)</u>

Note 18. Segment Information

Our two operating segments, Beverage Solutions and Sustainable Sourcing & Traceability, are evaluated using Segment Adjusted EBITDA, which is a segment performance measure. We define Segment Adjusted EBITDA as net (loss) income determined in accordance with GAAP, before interest expense, provision for income taxes, depreciation and amortization, equity-based compensation expense and the impact, which may be recurring in nature, of transaction, restructuring and integrations costs, impairment charges, changes in fair value of warrant liabilities, non-cash mark-to-market adjustments, certain non-capitalizable costs necessary to place the Conway Facility into commercial production, certain recurring operating costs related to the scale-up of operations of the Conway Facility, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, gains or losses on dispositions, and other similar or infrequent items (although we may not have had such charges in the periods presented).

The Company's Chief Executive Officer, its chief operating decision maker ("CODM"), reviews Segment Adjusted EBITDA for the purpose of making operating decisions, assessing financial performance, and deciding how to allocate resources. Segment Adjusted EBITDA is used by the CODM to review operating trends and to monitor budget-to-actual variances in order to make key operating decisions.

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Selected financial data, including a reconciliation of total reportable segments' Segment Adjusted EBITDA to loss before income taxes and equity in earnings from unconsolidated entities, is presented below for the periods indicated:

(Thousands)	Three Months Ended June 30, 2025		
	Beverage Solutions	Sustainable Sourcing & Traceability	Total
Net sales ⁽¹⁾	\$ 208,814	\$ 72,045	\$ 280,859
Segment Adjusted EBITDA	19,670	3,315	22,985
Less:			
Interest expense			13,119
Depreciation and amortization			15,016
Transaction, restructuring and integration expense			2,477
Equity-based compensation			4,750
Conway extract and ready-to-drink facility pre-production costs			9,072
Conway extract and ready-to-drink facility scale up operating costs			7,647
Mark-to-market adjustments			(1,441)
Other			(2,215)
Loss before income taxes and equity in earnings from unconsolidated entities			<u>\$ (25,440)</u>
Total assets	1,027,048	130,429	1,157,477

(1) Excludes \$2.6 million of intersegment revenues that represent sales of green coffee from our SS&T segment to our Beverage Solutions segment.

(Thousands)	Three Months Ended June 30, 2024		
	Beverage Solutions	Sustainable Sourcing & Traceability	Total
Net sales ⁽¹⁾	\$ 163,253	\$ 45,136	\$ 208,389
Segment Adjusted EBITDA	13,245	419	13,664
Less:			
Interest expense			7,453
Depreciation and amortization			7,968
Transaction, restructuring and integration expense			4,399
Change in fair value of warrant liabilities			(1,612)
Equity-based compensation			3,025
Impairment charges			831
Conway extract and ready-to-drink facility pre-production costs			12,382
Conway extract and ready-to-drink facility scale up operating costs			1,230
Mark-to-market adjustments			(1,522)
(Gain) loss on disposal of property, plant and equipment			971
Other			886
Loss before income taxes and equity in earnings from unconsolidated entities			<u>\$ (22,347)</u>
Total assets	965,250	91,123	1,056,373

(1) Excludes \$1.6 million of intersegment revenues that represent sales of green coffee from our SS&T segment to our Beverage Solutions segment.

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(Thousands)	Six Months Ended June 30, 2025		
	Beverage Solutions	Sustainable Sourcing & Traceability	Total
Net sales ⁽¹⁾	\$ 372,893	\$ 121,762	\$ 494,655
Segment Adjusted EBITDA	29,253	5,243	34,496
Less:			
Interest expense			25,718
Depreciation and amortization			26,771
Transaction, restructuring and integration expense			4,268
Equity-based compensation			8,080
Conway extract and ready-to-drink facility pre-production costs			13,520
Conway extract and ready-to-drink facility scale up operating costs			10,935
Mark-to-market adjustments			(3,514)
(Gain) loss on disposal of property, plant and equipment			7
Other			(459)
Loss before income taxes and equity in earnings from unconsolidated entities			<u>\$ (50,830)</u>
Total assets	1,027,048	130,429	1,157,477

(1) Excludes \$6.5 million of intersegment revenues that represent sales of green coffee from our SS&T segment to our Beverage Solutions segment.

(Thousands)	Six Months Ended June 30, 2024		
	Beverage Solutions	Sustainable Sourcing & Traceability	Total
Net sales ⁽¹⁾	\$ 321,312	\$ 79,577	\$ 400,889
Segment Adjusted EBITDA	24,045	761	24,806
Less:			
Interest expense			15,032
Depreciation and amortization			15,516
Transaction, restructuring and integration expense			7,363
Change in fair value of warrant liabilities			(1,653)
Equity-based compensation			5,481
Impairment charges			831
Conway extract and ready-to-drink facility pre-production costs			22,178
Conway extract and ready-to-drink facility scale up operating costs			1,230
Mark-to-market adjustments			(3,162)
(Gain) loss on disposal of property, plant and equipment			973
Other			1,169
Loss before income taxes and equity in earnings from unconsolidated entities			<u>\$ (40,152)</u>
Total assets	965,250	91,123	1,056,373

(1) Excludes \$3.5 million of intersegment revenues that represent sales of green coffee from our SS&T segment to our Beverage Solutions segment.

Significant segment expense for our reportable segments is presented below for the periods indicated:

(Thousands)	Three Months Ended June 30, 2025	
	Beverage Solutions	Sustainable Sourcing & Traceability
Net Sales	\$ 208,814	\$ 72,045
<i>Less:</i>		
Costs of sales	163,565	66,378
Employee related ⁽¹⁾	14,082	1,909
Information technology	1,675	n/a
Advertising & marketing	737	n/a
Professional fees	2,429	n/a
Corporate insurance	1,338	n/a
Freight	2,992	n/a
Other segment expense ⁽²⁾	2,326	443
Segment Adjusted EBITDA	\$ 19,670	\$ 3,315

- (1) Employee related costs are costs reported within selling, general and administrative expense in our Condensed Consolidated Statements of Operations, and include employee salaries, related taxes and benefits, short-term cash incentive compensation and travel and entertainment expenses.
- (2) Other segment expense includes equipment and real estate rent, equipment parts, supplies and service expenses and other overhead expenses.

(Thousands)	Three Months Ended June 30, 2024	
	Beverage Solutions	Sustainable Sourcing & Traceability
Net Sales	\$ 163,253	\$ 45,136
<i>Less:</i>		
Costs of sales	121,899	41,870
Employee related ⁽¹⁾	12,012	1,776
Information technology	1,441	n/a
Advertising & marketing	1,421	n/a
Professional fees	2,272	n/a
Corporate insurance	2,002	n/a
Freight	4,273	n/a
Other segment expense ⁽²⁾	4,688	1,071
Segment Adjusted EBITDA	\$ 13,245	\$ 419

- (1) Employee related costs are costs reported within selling, general and administrative expense in our Condensed Consolidated Statements of Operations, and include employee salaries, related taxes and benefits, short-term cash incentive compensation and travel and entertainment expenses.
- (2) Other segment expense includes equipment and real estate rent, equipment parts, supplies and service expenses and other overhead expenses.

(Thousands)	Six Months Ended June 30, 2025	
	Beverage Solutions	Sustainable Sourcing & Traceability
Net Sales	\$ 372,893	\$ 121,762
<i>Less:</i>		
Costs of sales	295,005	111,804
Employee related ⁽¹⁾	25,888	3,698
Information technology	3,710	n/a
Advertising & marketing	1,453	n/a
Professional fees	4,522	n/a
Corporate insurance	2,933	n/a
Freight	6,000	n/a
Other segment expense ⁽²⁾	4,129	1,017
Segment Adjusted EBITDA	\$ 29,253	\$ 5,243

- (1) Employee related costs are costs reported within selling, general and administrative expense in our Condensed Consolidated Statements of Operations, and include employee salaries, related taxes and benefits, short-term cash incentive compensation and travel and entertainment expenses.
- (2) Other segment expense includes equipment and real estate rent, equipment parts, supplies and service expenses and other overhead expenses.

(Thousands)	Six Months Ended June 30, 2024	
	Beverage Solutions	Sustainable Sourcing & Traceability
Net Sales	\$ 321,312	\$ 79,577
<i>Less:</i>		
Costs of sales	242,386	73,676
Employee related ⁽¹⁾	23,936	3,326
Information technology	2,815	n/a
Advertising & marketing	2,097	n/a
Professional fees	4,823	n/a
Corporate insurance	4,093	n/a
Freight	7,750	n/a
Other segment expense ⁽²⁾	9,367	1,814
Segment Adjusted EBITDA	\$ 24,045	\$ 761

- (1) Employee related costs are costs reported within selling, general and administrative expense in our Condensed Consolidated Statements of Operations, and include employee salaries, related taxes and benefits, short-term cash incentive compensation and travel and entertainment expenses.
- (2) Other segment expense includes equipment and real estate rent, equipment parts, supplies and service expenses and other overhead expenses.

Note 19. Commitments and Contingencies

On November 27, 2024, Dairy Farmers of America, Inc. (“DFA”) filed a complaint against the Company and certain current and former employees of the Company in the United States District Court for the Western District of Missouri, Case No. 6:24-cv-03332-BCW (W.D. Mo.), which alleged trade secret misappropriation in violation of the Defend Trade Secrets Act and the Missouri Trade Secrets Act and civil conspiracy against the Company. DFA seeks money damages, interest, attorneys’ fees, costs, expenses, and injunctive relief from all defendants. On February 24, 2025, DFA filed an amended complaint, asserting the same causes of action against the Company and adding an individual defendant. On July 1, 2025, the United States District Court for the Western District of Missouri granted the Company’s motion to transfer the case to the United States District Court for the Eastern District of Arkansas. On July 14, 2025, DFA filed a second amended complaint, adding Westrock Beverage Company, LLC as a defendant, withdrawing the claim for civil conspiracy, and adding a claim seeking to pierce the corporate veil between the Company and Westrock Beverage Company, LLC. The Company and Westrock Beverage Company, LLC filed an answer on July 28, 2025, denying the allegations contained in DFA’s complaint and a motion to dismiss the veil-piercing claim.

The trial in this matter is tentatively scheduled to begin on August 10, 2026. The Company intends to defend this matter vigorously and seek all recourse available to it, and, because it is still in its preliminary stages, we have not yet determined what effect this lawsuit will have, if any, on our financial position or results of operations.

We are subject to various other claims and legal proceedings with respect to matters such as governmental regulations, and other actions arising out of the normal course of business. Management believes that the resolution of these matters will not have a material adverse effect on our financial position, results of operations, or cash flow.

We have future purchase obligations of \$422.1 million as of June 30, 2025 that consist of commitments for the purchase of inventory over the next 12 months. These obligations represent the minimum contractual obligations expected under the normal course of business.

At June 30, 2025, we had an obligation to repurchase \$0.5 million of inventory associated with repurchase agreements in which the Company’s Sustainable Sourcing & Traceability segment has sold inventory to a third party and from whom the Company’s Beverage Solutions segment has an obligation to repurchase. The liability for these obligations is recorded within accrued expenses and other current liabilities on the Company’s Condensed Consolidated Balance Sheets.

At June 30, 2025, we had a right or obligation to repurchase \$9.9 million of inventory associated with Repo Transactions, for which the liability is recorded within accrued expenses and other current liabilities on the Company’s Condensed Consolidated Balance Sheets.

Note 20. Related Party Transactions

In February 2024, the Company sold and issued Convertible Notes to Westrock Group, LLC (an affiliate of Scott Ford, the Company’s Chief Executive Officer and a member of the board of directors of the Company, “Westrock Group”), Wooster Capital, LLC (an affiliate of Joe Ford, chairman of the board of directors) and HF Direct Investments Pool, LLC (a holder of more than 10% of the outstanding Common Shares), each a related party.

The Condensed Consolidated Financial Statements reflect the following transactions with related parties:

(Thousands)	June 30, 2025	December 31, 2024
Accrued expenses and other current liabilities		
Westrock Group	\$ 375	\$ 383
Wooster Capital	94	96
HF Direct Investments Pool, LLC	469	479
Total	<u>\$ 938</u>	<u>\$ 958</u>

(Thousands)	June 30, 2025	December 31, 2024
Convertible notes payable - related party, net:		
Westrock Group	\$ 20,000	\$ 20,000
Wooster Capital	5,000	5,000
HF Direct Investments Pool, LLC	25,000	25,000
Total	50,000	50,000
Unamortized debt costs	(259)	(294)
Total	\$ 49,741	\$ 49,706

(Thousands)	Six Months Ended June 30,	
	2025	2024
Interest expense:		
Westrock Group	\$ 503	\$ 378
Wooster Capital	126	94
HF Direct Investments Pool, LLC	628	472
Total	\$ 1,257	\$ 944

In addition, the Company reimburses Westrock Group for the usage of a corporate aircraft, and its portion of shared administrative expenses. For the three and six months ended June 30, 2025, the Company recognized expenses of \$0.2 million and \$0.2 million, respectively, for such items, which are recorded in selling, general and administrative expenses in our Condensed Consolidated Statements of Operations. For the three and six months ended June 30, 2024, the Company recognized expenses of \$0.3 million and \$0.6 million, respectively, for such items. At June 30, 2025 and December 31, 2024, we had \$0.1 million payable and \$0.1 million payable to Westrock Group, respectively, related to such items.

During the three and six months ended June 30, 2025, Falcon purchased \$0.3 million of green coffee from the Rwandan JV, in which the Company has a 49.9% interest. There was no such activity during the three and six months ended June 30, 2024.

Note 21. Subsequent Events

On July 23, 2025, Falcon amended its working capital trade finance facility with multiple institutions. The facility size was increased from \$85.0 million to \$102.5 million and remains uncommitted and repayable on demand, with certain of Falcon's assets pledged as collateral against the facility.

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

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations describes the principal factors affecting the results of operations, financial condition, and changes in financial condition for the three and six months ended June 30, 2025. This discussion should be read in conjunction with the accompanying Condensed Consolidated Financial Statements, and the notes thereto set forth in Part I, Item 1 of this Quarterly Report on Form 10-Q and our December 31, 2024 Audited Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (“SEC”) on March 12, 2025.

Overview

Westrock Coffee Company, a Delaware corporation (the “Company,” “Westrock,” “we,” “us,” or “our”), is a leading integrated coffee, tea, flavors, extracts, and ingredients solutions provider in the United States, providing coffee sourcing, supply chain management, product development, roasting, packaging, and distribution services to the retail, food service and restaurant, convenience store and travel center, non-commercial account, CPG, and hospitality industries around the world.

Our platform is built upon four fundamental pillars that enable us to positively impact the coffee, tea, flavors, extracts, and ingredients ecosystems from crop to cup: (i) we operate a transparent supply chain, (ii) we develop innovative beverage solutions tailored to our customers’ specific needs, (iii) we deliver a high quality and comprehensive set of products to our customers, and (iv) we leverage our scaled international presence to serve our blue-chip customer base. These four tenets comprise the backbone of our platform and position us as a leading provider of value-added beverage solutions. By partnering with Westrock, our customers also benefit from the benchmark-setting responsible sourcing policies and strong Environmental, Social, and Governance focus surrounding our products, top tier consumer insights, and a differentiated product ideation process. Leading brands choose us because we are singularly positioned to meet their needs, while simultaneously driving a new standard for sustainably and responsibly sourced products.

We operate our business in two segments: Beverage Solutions and Sustainable Sourcing & Traceability (“SS&T”).

Beverage Solutions: Through this segment, we combine our product innovation and customer insights to provide value-added beverage solutions, including coffee, tea, flavors, extracts, and ingredients. We provide products in a variety of packaging, including branded and private label coffee in bags, fractional packs, single serve cups, multi-serve bottles and ready-to-drink bottles and cans, as well as extract solutions to be used in products such as cold brew and ready-to-drink offerings. Currently, we serve customers in the United States, Europe, and Asia through the retail, food service and restaurant, convenience store and travel center, non-commercial account, CPG and hospitality industries.

Sustainable Sourcing & Traceability: Through this segment, we utilize our proprietary technology and digitally traceable supply chain to directly impact and improve the lives of our farming partners, provide tangible economic empowerment and emphasize environmental accountability and farmer literacy. Revenues primarily consist of sales from commodity contracts related to forward sales of green coffee.

Significant Developments

Equity Method Investment and De-Consolidation of Rwanda Trading Company

On April 1, 2025, the Company entered into an agreement with ETC Holdings SA (“ECOM”) that combines Westrock’s and ECOM’s Rwandan export operations (the “Rwandan JV”). This strategic partnership, which was established to trade Arabica coffee from Rwanda and commercially operate wet mill and storage facilities, allows Westrock to scale its operations in Rwanda, improve profitability, and strengthen our ability to provide smallholder farmers and their families the ability to advance their quality of life and economic well-being. The Company contributed its ownership interest in Rwanda Trading Company (“RTC”) and \$100,000 in cash in exchange for a 49.9% ownership interest in the Rwandan JV. At June 30, 2025, the Company’s investment and maximum exposure to loss is \$1.6 million, which is recorded in other long-term assets on the Condensed Consolidated Balance Sheets. As a result of the transaction, the Company has de-consolidated RTC, de-recognizing \$9.3 million of assets, including approximately \$2.9 million of cash and cash

equivalents, and \$10.3 million of liabilities that were previously reported within our Sustainable Sourcing & Traceability segment. Upon de-consolidation, the Company recognized a \$2.3 million gain during the three months ended June 30, 2025, which is recorded in other, net on the Condensed Consolidated Statements of Operations.

Results of Operations

Comparison of the Three Months Ended June 30, 2025 and 2024

The following table sets forth our results of operations expressed as dollars and as a percentage of total revenues for the periods indicated:

(Dollars in Thousands)	Three Months Ended June 30, 2025	% of Revenues	Three Months Ended June 30, 2024	% of Revenues
Net sales	\$ 280,859	100.0 %	\$ 208,389	100.0 %
Costs of sales	239,464	85.3 %	166,986	80.1 %
Gross profit	41,395	14.7 %	41,403	19.9 %
Selling, general and administrative expense	53,931	19.2 %	51,610	24.8 %
Transaction, restructuring and integration expense	2,477	0.9 %	4,399	2.1 %
Impairment charges	—	0.0 %	831	0.4 %
Loss on disposal of property, plant and equipment	—	0.0 %	971	0.5 %
Total operating expenses	56,408	20.1 %	57,811	27.7 %
Loss from operations	(15,013)	(5.3)%	(16,408)	(7.9)%
Other (income) expense				
Interest expense	13,119	4.7 %	7,453	3.6 %
Change in fair value of warrant liabilities	—	0.0 %	(1,612)	(0.8)%
Other, net	(2,692)	(1.0)%	98	0.0 %
Loss before income taxes and equity in earnings from unconsolidated entities	(25,440)	(9.1)%	(22,347)	(10.7)%
Income tax expense (benefit)	(370)	(0.1)%	(4,645)	(2.2)%
Equity in (earnings) loss from unconsolidated entities	(3,507)	(1.2)%	57	0.0 %
Net loss	\$ (21,563)	(7.7)%	\$ (17,759)	(8.5)%
Amortization of Series A Convertible Preferred Shares	86	0.0 %	87	0.0 %
Net loss attributable to common shareholders	\$ (21,477)	(7.6)%	\$ (17,672)	(8.5)%

Net Sales

(Thousands)	Three Months Ended June 30,	
	2025	2024
Beverage Solutions	\$ 208,814	\$ 163,253
Sustainable Sourcing & Traceability ⁽¹⁾	72,045	45,136
Total net sales	\$ 280,859	\$ 208,389

(1) Net of intersegment revenues.

Net Sales from our Beverage Solutions segment were \$208.8 million for the three months ended June 30, 2025, increasing 27.9% compared to \$163.3 million for the three months ended June 30, 2024. The increase was primarily due to a \$38.9 million increase in the sale of coffee and tea products, driven by a 21.1% increase in single serve cup volumes and a 13.7% increase in core roast and ground coffee volumes, and the year over year growth in coffee commodity prices, which are passed through to our customers. In addition, sales of flavors, extracts & ingredients products increased \$6.6 million, driven by the ramp up in operations of our Conway, Arkansas extract and ready-to-drink manufacturing facility (the “Conway Facility”).

Net Sales from our SS&T segment, net of intersegment revenues, were \$72.0 million for the three months ended June 30, 2025, increasing 59.6% compared to \$45.1 million for the three months ended June 30, 2024. The increase is driven by an increase in the average sales price per pound, which increased 50.1% for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in the average sales price per pound is directly correlated to the global commodities price. SS&T sales volume increased 10.3% for the three months ended June 30, 2025 compared to the three months ended June 30, 2024.

Costs of Sales

(Thousands)	Three Months Ended June 30,	
	2025	2024
Beverage Solutions	\$ 174,528	\$ 126,638
Sustainable Sourcing & Traceability	64,936	40,348
Total costs of sales	\$ 239,464	\$ 166,986

In our Beverage Solutions segment, costs of sales increased \$47.9 million to \$174.5 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase in costs of sales was primarily driven by an increase in sales volumes and an increase in the coffee commodity prices for the three months ended June 30, 2025, compared to the three months ended June 30, 2024.

In our SS&T segment, costs of sales increased \$24.6 million to \$64.9 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. This increase is primarily due to an increase in green coffee costs driven by an increase in underlying commodities pricings. Costs of sales in our SS&T segment for the three months ended June 30, 2025 included \$1.4 million of net unrealized gains on forward sales and purchase contracts and mark-to-market adjustments on green coffee inventory compared to \$1.5 million of net unrealized gains for the three months ended June 30, 2024.

Selling, General and Administrative Expense

(Dollars in Thousands)	Three Months Ended June 30,			
	2025		2024	
	Amount	% of Segment Revenues	Amount	% of Segment Revenues
Beverage Solutions	\$ 51,661	24.7 %	\$ 48,765	29.9 %
Sustainable Sourcing & Traceability	2,270	3.2 %	2,845	6.3 %
Total selling, general and administrative expense	\$ 53,931	19.2 %	\$ 51,610	24.8 %

Total selling, general and administrative expenses in our Beverage Solutions segment increased \$2.9 million to \$51.7 million for the three months ended June 30, 2025, compared to the three months ended June 30, 2024. The increase is primarily due to an increase in operating costs associated with the Conway Facility. In our SS&T segment, selling, general and administrative costs were relatively unchanged compared to the three months ended June 30, 2024.

Transaction, Restructuring and Integration Expense

Transaction, restructuring and integration expenses for the three months ended June 30, 2025 were \$2.5 million, approximately \$1.9 million of which related to severance costs and \$0.4 million of which related to fees related to the establishment of our accounts receivable factoring agreement. During the three months ended June 30, 2024, we incurred \$4.4 million of transaction, restructuring and integration expenses, approximately \$4.1 million of which related to severance and other employee termination and benefit costs associated with the elimination of various positions as part of cost reduction objectives.

Interest Expense

(Thousands)	Three Months Ended June 30,	
	2025	2024
Interest expense		
Cash:		
Term loan and delayed draw term loan facilities	\$ 4,176	\$ 4,876
Revolving credit facility	3,531	1,075
Convertible notes payable	278	278
Convertible notes payable - related party	632	632
Supply chain finance program	2,062	2,536
International trade finance lines	1,421	1,144
International notes payable	168	212
Other	391	370
Total cash interest	12,659	11,123
Non-cash:		
Amortization of deferred financing costs	862	665
Capitalized interest	(402)	(4,335)
Total non-cash interest	460	(3,670)
Total interest expense	\$ 13,119	\$ 7,453

Interest expense for the three months ended June 30, 2025 was \$13.1 million compared to \$7.5 million for the three months ended June 30, 2024. Interest expense associated with our term loan and delayed draw term loan decreased \$0.7 million due to decreased outstanding balances, while interest on our revolving credit facility increased \$2.5 million, primarily due to higher outstanding borrowings. During the three months ended June 30, 2025, the Company capitalized approximately \$0.4 million of interest costs associated with the build-out of our Conway Facility, compared to \$4.3 million of such interest costs for the three months ended June 30, 2024.

Income Tax Expense (Benefit)

Income tax benefit for the three months ended June 30, 2025 was \$0.4 million, resulting in an effective tax rate of 1.7%. The effective tax rate for the current period differs from the federal statutory rate primarily due to an increase in the valuation allowance against domestic deferred tax assets. Income tax benefit for the three months ended June 30, 2024 was \$4.6 million, resulting in an effective tax rate of 20.7%.

Comparison of the Six Months Ended June 30, 2025 and 2024

The following table sets forth our results of operations expressed as dollars and as a percentage of total revenues for the periods indicated:

(Dollars in Thousands)	Six Months Ended June 30, 2025	% of Revenues	Six Months Ended June 30, 2024	% of Revenues
Net Sales	\$ 494,655	100.0 %	\$ 400,889	100.0 %
Costs of sales	424,187	85.8 %	322,212	80.4 %
Gross profit	70,468	14.2 %	78,677	19.6 %
Selling, general and administrative expense	94,275	19.1 %	96,050	24.0 %
Transaction, restructuring and integration expense	4,268	0.9 %	7,363	1.8 %
Impairment charges	—	0.0 %	831	0.2 %
Loss on disposal of property, plant and equipment	7	0.0 %	973	0.2 %
Total operating expenses	98,550	19.9 %	105,217	26.2 %
Loss from operations	(28,082)	(5.7)%	(26,540)	(6.6)%
Other (income) expense				
Interest expense	25,718	5.2 %	15,032	3.7 %
Change in fair value of warrant liabilities	—	0.0 %	(1,653)	(0.4)%
Other, net	(2,970)	(0.6)%	233	0.1 %
Loss before income taxes and equity in earnings from unconsolidated entities	(50,830)	(10.3)%	(40,152)	(10.0)%
Income tax expense (benefit)	1,458	0.3 %	1,170	0.3 %
Equity in (earnings) loss from unconsolidated entities	(3,507)	(0.7)%	110	0.0 %
Net loss	\$ (48,781)	(9.9)%	\$ (41,432)	(10.3)%
Amortization of Series A Convertible Preferred Shares	172	0.0 %	174	0.0 %
Net loss attributable to common shareholders	\$ (48,609)	(9.8)%	\$ (41,258)	(10.3)%

Net Sales

(Thousands)	Six Months Ended June 30,	
	2025	2024
Beverage Solutions	\$ 372,893	\$ 321,312
Sustainable Sourcing & Traceability ⁽¹⁾	121,762	79,577
Total net sales	\$ 494,655	\$ 400,889

(1) Net of intersegment revenues.

Net Sales from our Beverage Solutions segment were \$372.9 million for the six months ended June 30, 2025, increasing 16.1% compared to \$321.3 million for the six months ended June 30, 2024. The increase was primarily due to a \$40.8 million increase in the sale of coffee and tea products, driven by a 10.7% increase in roast and ground coffee volumes and the year over year growth in coffee commodity prices, which are passed through to our customers. In addition, sales

of flavors, extracts & ingredients products increased \$11.4 million, driven by the ramp up in operations of the Conway Facility.

Net Sales from our SS&T segment, net of intersegment revenues, were \$121.8 million for the six months ended June 30, 2025, increasing 53.0% compared to \$79.6 million for the six months ended June 30, 2024. The increase is primarily driven by an increase in the average sales price per pound, which increased 52.3% for the six months ended June 30, 2025, compared to the six months ended June 30, 2024. The increase in the average sales price per pound is directly correlated to the global commodities price.

Costs of Sales

(Thousands)	Six Months Ended June 30,	
	2025	2024
Beverage Solutions	\$ 315,898	\$ 251,698
Sustainable Sourcing & Traceability	108,289	70,514
Total costs of sales	\$ 424,187	\$ 322,212

In our Beverage Solutions segment, costs of sales increased to \$315.9 million for the six months ended June 30, 2025, from \$251.7 million for the six months ended June 30, 2024. The increase in costs of sales was primarily driven by an increase in the sales volumes, and the year over year growth in coffee commodity prices for the six months ended June 30, 2025 compared to the six months ended June 30, 2024.

In our SS&T segment, costs of sales increased \$37.8 million to \$108.3 million for the six months ended June 30, 2025 compared to the six months ended June 30, 2024. This increase is primarily due to an increase in coffee commodity prices. Costs of sales in our SS&T segment for the six months ended June 30, 2025 included \$3.5 million of net unrealized gains on forward sales and purchase contracts and mark-to-market adjustments on green coffee inventory compared to \$3.2 million of net unrealized gains for the six months ended June 30, 2024.

Selling, General and Administrative Expense

(Dollars in Thousands)	Six Months Ended June 30,			
	2025		2024	
	Amount	% of Segment Revenues	Amount	% of Segment Revenues
Beverage Solutions	\$ 89,283	23.9 %	\$ 90,794	28.3 %
Sustainable Sourcing & Traceability	4,992	4.1 %	5,256	6.6 %
Total selling, general and administrative expense	\$ 94,275	19.1 %	\$ 96,050	24.0 %

Total selling, general and administrative expenses in our Beverage Solutions segment and our SS&T segment were relatively unchanged compared to the six months ended June 30, 2024.

Transaction, Restructuring and Integration Expense

Transaction, restructuring and integration expenses for the six months ended June 30, 2025 were \$4.3 million, approximately \$2.4 million of which related to severance and other employee termination and benefit costs associated with the elimination of various positions as part of cost reduction objectives, \$0.8 million of plant closure costs and \$0.4 million of which related to fees related to the establishment of our accounts receivable factoring agreement. During the six months ended June 30, 2024, we incurred \$7.4 million of transaction, restructuring and integration expenses, approximately \$4.1 million of which related to severance and other employee termination and benefit costs associated with the elimination of various positions as part of cost reduction objectives and \$2.2 million of which related to the establishment of our at-the-market common stock offering program.

Interest Expense

(Thousands)	Six Months Ended June 30,	
	2025	2024
Interest expense		
Cash:		
Term loan and delayed draw term loan facilities	\$ 7,809	\$ 9,530
Revolving credit facility	7,117	1,827
Convertible notes payable	553	416
Convertible notes payable - related party	1,257	944
Supply chain finance program	4,056	4,544
International trade finance lines	2,756	2,008
International notes payable	345	398
Other	564	813
Total cash interest	24,457	20,480
Non-cash:		
Amortization of deferred financing costs	1,892	1,715
Capitalized interest	(631)	(7,163)
Total non-cash interest	1,261	(5,448)
Total interest expense	\$ 25,718	\$ 15,032

Interest expense for the six months ended June 30, 2025 was \$25.7 million compared to \$15.0 million for the six months ended June 30, 2024. Interest expense associated with our term loan and delayed draw term loan facilities decreased due to a decrease in outstanding balances, while interest on our revolving credit facility increased \$5.3 million, primarily due to higher outstanding borrowings. During the six months ended June 30, 2025, the Company capitalized approximately \$0.6 million of interest costs associated with the build-out of our Conway Facility, compared to \$7.2 million of such interest costs for the six months ended June 30, 2024.

Income Tax Expense (Benefit)

Income tax expense for the six months ended June 30, 2025 was \$1.5 million, resulting in an effective tax rate of (3.1)%. The effective tax rate for the current period differs from the federal statutory rate primarily due to an increase in the valuation allowance against domestic deferred tax assets. Income tax expense for the six months ended June 30, 2024 was \$1.2 million, resulting in an effective tax rate of (2.9)%.

Critical Accounting Estimates

We make certain judgments and use certain estimates and assumptions when applying accounting principles in the preparation of our financial statements. The nature of those estimates and assumptions are material due to the levels of subjectivity and judgment necessary to account for highly uncertain factors or the susceptibility of such factors to change.

We believe the current assumptions and other considerations used to estimate amounts reflected in our financial statements are appropriate. However, if actual experience differs from the assumptions and other considerations used in estimating amounts reflected in our financial statements, the resulting changes could have a material adverse effect on our results of operations and, in certain situations, could have a material adverse effect on our financial condition.

For further information on our critical accounting estimates, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the notes to our audited financial statements included in our Annual Report on Form 10-K filed with the SEC on March 12, 2025. As of June 30, 2025, there have been no material changes to these estimates.

Key Business Metrics

We use Consolidated Adjusted EBITDA to evaluate our performance, identify trends, formulate financial projections, and to make strategic decisions.

Consolidated Adjusted EBITDA

We refer to EBITDA and Consolidated Adjusted EBITDA in our analysis of our results of operations, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States (“GAAP”). While we believe that net (loss) income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA and Consolidated Adjusted EBITDA are important non-GAAP supplemental measures of operating performance as they contribute to a meaningful evaluation of the Company’s future operating performance and comparisons to the Company’s past operating performance. The Company believes that providing these non-GAAP financial measures helps investors evaluate the Company’s operating performance, profitability and business trends in a way that is consistent with how management evaluates such performance.

We define “EBITDA” as net (loss) income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization. We define “Consolidated Adjusted EBITDA” as EBITDA before equity-based compensation expense and the impact, which may be recurring in nature, of transaction, restructuring and integration related costs, impairment charges, changes in the fair value of warrant liabilities, non-cash mark-to-market adjustments, certain non-capitalizable costs necessary to place the Conway Facility into commercial production, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, gains or losses on dispositions, and other similar or infrequent items (although we may not have had such charges in the periods presented). We believe EBITDA and Consolidated Adjusted EBITDA are important supplemental measures to net (loss) income because they provide additional information to evaluate our operating performance on an unleveraged basis.

Since EBITDA and Consolidated Adjusted EBITDA are not measures calculated in accordance with GAAP, they should be viewed in addition to, and not be considered as alternatives for, net (loss) income determined in accordance with GAAP. Further, our computations of EBITDA and Consolidated Adjusted EBITDA may not be comparable to that reported by other companies that define EBITDA and Consolidated Adjusted EBITDA differently than we do.

The reconciliation of our net (loss) income to EBITDA and Consolidated Adjusted EBITDA for the three and six months ended June 30, 2025 and 2024 is as follows:

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (21,563)	\$ (17,759)	\$ (48,781)	\$ (41,432)
Interest expense	13,119	7,453	25,718	15,032
Income tax expense (benefit)	(370)	(4,645)	1,458	1,170
Depreciation and amortization	15,016	7,968	26,771	15,516
EBITDA	6,202	(6,983)	5,166	(9,714)
Transaction, restructuring and integration expense	2,477	4,399	4,268	7,363
Change in fair value of warrant liabilities	—	(1,612)	—	(1,653)
Equity-based compensation	4,750	3,025	8,080	5,481
Impairment charges	—	831	—	831
Conway extract and ready-to-drink facility pre-production costs	9,072	12,382	13,520	22,178
Mark-to-market adjustments	(1,441)	(1,522)	(3,514)	(3,162)
(Gain) loss on disposal of property, plant and equipment	—	971	7	973
Other	(5,722)	943	(3,966)	1,279
Consolidated Adjusted EBITDA	\$ 15,338	\$ 12,434	\$ 23,561	\$ 23,576

The Company presents Consolidated Adjusted EBITDA as excluding certain Conway extract and ready-to-drink facility start-up costs (“Conway Start-up Costs”). Prior to the third quarter of 2024, Conway Start-up Costs included two categories: (i) non-capitalizable costs necessary to place production and packaging capabilities into commercial production (“pre-production costs”), and (ii) recurring operating costs incurred once a capability is placed into commercial production but before completion of the production scale up (“scale up operating costs”). Beginning in the third quarter of 2024, the Company no longer excludes scale up operating costs in the determination of Consolidated Adjusted EBITDA. Consolidated Adjusted EBITDA for the three and six months ended June 30, 2024 has been revised to exclude the impact of scale up operating costs, as follows:

(Thousands)	Three Months Ended		Six Months Ended	
	June 30, 2024		June 30, 2024	
Consolidated Adjusted EBITDA, as presented	\$	13,664	\$	24,806
Conway extract and ready-to-drink facility scale-up operating costs		(1,230)		(1,230)
Consolidated Adjusted EBITDA, as revised	\$	12,434	\$	23,576

Liquidity and Capital Resources

Our principal liquidity needs are to fund operating expenses, meet debt service obligations, and fund investment activities, which include capital expenditures. Our primary sources of liquidity and capital resources are cash on hand, cash provided by operating activities, and available borrowings under our Credit Agreement (as defined herein).

Our ability to generate cash provided by operating activities is dependent on several factors, including our ability to generate net sales and manage costs in line with our expectations. Failure to meet our financial targets, including any adverse impact from changes or further delays in the estimated timing and volume of products to be commercialized in our Conway Facility, may restrict our liquidity and capital resources and our ability to maintain compliance with our financial covenants and may require us to modify, delay, or abandon some of our planned future expansion or development, or to otherwise enact operating cost reductions, which could have a material adverse effect on our business, operating results, financial condition, covenant compliance and ability to achieve our intended business objectives.

Green coffee, which is our primary raw material, is an exchange traded agricultural commodity that is subject to price fluctuations, the reasons for which are outside of the control of the Company. During the year ended December 31, 2024, the exchange traded “C” market price of green coffee increased approximately 70%, and from January 1, 2025

through the date of this Quarterly Report on Form 10-Q, the “C” market price has continued to fluctuate, at times surpassing \$4.00 per pound of green coffee, reaching all-time highs. This increase impacts the entire coffee supply chain, as exporters, traders, suppliers, and roasters require increased working capital to fund rising green coffee costs, and without having access to sufficient working capital, supply chain disruptions may emerge.

In addition, our liquidity may be negatively impacted by recently enacted and/or proposed tariffs and trading restrictions that, absent an exemption, would be applied to imported equipment, commodities and packaging materials. The uncertainty around the long-term tariff rates that could be applied to our importation of products into the U.S. presents significant challenges to our operations and supply chain and may result in future results being significantly different than any outlook given. We cannot predict what additional actions might be considered or implemented by the U.S. or its trade partners, particularly in the current geopolitical environment. The uncertainty could also cause disturbances in ocean shipping capacity that could affect our ability to secure ocean freight containers for our products, and create inflationary effects on our costs, in addition to the direct impact of tariffs. For example, recent tariffs targeting Brazil and other coffee-producing nations could negatively impact our ability and the ability of competitors to source coffee and could lead to an increase in the cost of commodities and adversely affect our profitability. A persistent increase in coffee costs or tariff-impacted equipment or material costs, could adversely affect consumer demand as producers attempt to pass higher costs down the supply chain.

Where possible, we will seek to recover tariff- and inflation-impacted costs by passing these costs onto our customers through periodic pricing increases. However, our pricing increases often lag our cost increases, including increases in commodity costs. A prolonged increase in “C” market prices and/or tariff-impacted costs combined with the near-term costs associated with continuing to build out the remaining portions of the Conway Facility, may require us to evaluate our allocation of working capital, and if we are not able to effectively manage our working capital, or do not have access to sufficient working capital to meet our purchasing needs for green coffee, other commodity inputs, ingredients or supplies (such as materials used in our packaging), we may need to access the debt or equity capital markets, and there is no assurance that we will be able to do so on terms that are favorable to the Company or at all. In addition, we may be required to modify, delay, or abandon some of our planned future expansion or development, or to otherwise enact operating cost reductions, which could have a material adverse effect on our business, operating results, financial condition, covenant compliance and ability to achieve our intended business objectives.

Credit Agreement

The Company is party to a credit agreement (as amended, modified or supplemented, the “Credit Agreement”) among the Company, Westrock Beverage Solutions, LLC, as the borrower (the “Borrower”), Wells Fargo Bank, N.A., as administrative agent, collateral agent, and swingline lender, Wells Fargo Securities, LLC, as sustainability structuring agent, and each issuing bank and lender party thereto. The Credit Agreement includes (a) a senior secured first lien revolving credit facility in an aggregate principal amount of \$200.0 million (the “Revolving Credit Facility”), (b) a senior secured first lien term loan facility in an aggregate principal amount of \$175.0 million (the “Term Loan Facility”), and (c) incremental term loan commitments in the form of a senior secured delayed draw term loan credit facility (the “Delayed Draw Term Loan Facility”) in the aggregate principal amount of \$50.0 million. The Revolving Credit Facility, the Term Loan Facility and the Delayed Draw Term Loan Facility will mature on August 29, 2027. All obligations under the Credit Agreement are guaranteed by the Company and each of the Borrower’s domestic subsidiaries, which comprise our Beverage Solutions segment, and are secured by substantially all of the Company’s assets.

Borrowings under the Revolving Credit Facility, the Term Loan Facility and the Delayed Draw Term Loan Facility will bear interest, at the Borrower’s option, initially at an annual rate equal to (a) term SOFR plus a credit spread adjustment of 0.10% for loans with an interest period of one month, 0.15% for loans with an interest period of three months and 0.25% for loans with an interest period of six months, as applicable, (the “Adjusted Term SOFR”) or (b) the base rate (determined by reference to the greatest of (i) the rate of interest last quoted by The Wall Street Journal in the United States as the prime rate in effect, (ii) the NYFRB Rate from time to time plus 0.50% and (iii) the Adjusted Term SOFR for a one month interest period plus 1.00%, (the “Base Rate”)), in each case plus an applicable margin.

At June 30, 2025, we had \$172.5 million of outstanding borrowings under the Revolving Credit Facility, with a weighted average interest rate of 8.2% and we had \$2.6 million of standby letters of credit outstanding. At June 30, 2025, the

interest rate applicable to our Term Loan Facility was 8.2%, and the interest rate applicable to our Delayed Draw Term Loan Facility was 8.3%.

On February 15, 2024, the Borrower entered into Amendment No. 3 (the “Third Amendment”) to the Credit Agreement. The Third Amendment modified the existing covenant relief period (the “Covenant Relief Period”), which commenced on June 30, 2023 and will end on the earlier to occur of (i) April 1, 2026 and (ii) any date following June 30, 2024, on which the Borrower elects to terminate the Covenant Relief Period subject to satisfaction of certain conditions. During the Covenant Relief Period, the Company’s ability to incur additional indebtedness and make investments, restricted payments and junior debt restricted payments will be more limited. The Third Amendment permits the Company to issue convertible notes, including the Convertible Notes (as defined herein).

During the Covenant Relief Period, the applicable margin for any term SOFR rate loan will range from 3.00% to 4.00% and for any ABR loan will range from 2.00% to 3.00%, in each case depending on the secured net leverage ratio. After the Covenant Relief Period, the applicable margin for any term SOFR rate loan will range from 2.00% to 3.00% and for any ABR loan will range from 1.00% to 2.00%, in each case depending on the secured net leverage ratio.

The Credit Agreement, as amended through the Third Amendment, required the Borrower to maintain compliance with (i) a secured net leverage ratio at levels ranging from 4.50:1.00 to 6.25:1.00 and stepping down to 4.50:1.00 by April 2026 (which has been further amended by the Fourth Amendment, as discussed below) and (ii) an interest coverage ratio of at least 1.50:1.00 on and prior to September 30, 2025 and at least 2.00:1.00 on December 31, 2025 and thereafter. The Credit Agreement, as amended through the Third Amendment, also included (i) a minimum liquidity covenant requiring the Borrower not to permit its liquidity, measured as of the last business day of each calendar month commencing March 29, 2024, to be less than \$15.0 million and (ii) an anti-cash hoarding covenant, which shall be effective only during the Covenant Relief Period, requiring the Borrower to have no more than \$20.0 million of unrestricted cash on the last day of each calendar month when revolving loans or letters of credit are outstanding or on the date of borrowing of a revolving loan. Failure to comply with these covenants or make payments when due could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations under the Credit Agreement and could result in a default and acceleration under other agreements containing cross-default provisions. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations.

The Company believes that its secured net leverage under the Credit Agreement is important to the understanding of the Company’s financial condition and liquidity. At June 30, 2025, the Company’s secured net leverage ratio was 4.75:1.00, compared to a maximum allowable ratio of 6.00:1.00, with such calculation set forth below:

(Thousands, except leverage ratio)	Trailing Twelve-Months
Beverage Solutions Segment Adjusted EBITDA	\$ 58,847
Permissible credit agreement adjustments ¹	11,137
Trailing Twelve-Months Credit Agreement Adjusted EBITDA	\$ 69,984
End of period:	
Term loan facility	\$ 150,938
Delayed draw term loan facility	46,875
Revolving credit facility	172,500
Letters of credit outstanding	2,560
Secured debt	372,873
Beverage Solutions unrestricted cash and cash equivalents	(40,707)
Secured net debt	\$ 332,166
Beverage Solutions Credit Agreement secured net leverage ratio	4.75x

¹ – Primarily consists of \$8.8 million of pro forma run-rate impact of cost savings initiatives, as permitted by the Credit Agreement.

A reconciliation of trailing twelve-months Beverage Solutions Adjusted EBITDA is as follows:

(Thousands)	
Year ended December 31, 2024	\$ 53,639
Six months ended June 30, 2025	29,253
Six months ended June 30, 2024	(24,045)
Trailing Twelve-Months Beverage Solutions Adjusted EBITDA	<u>\$ 58,847</u>

The Term Loan Facility and Delayed Draw Term Loan Facility require quarterly principal payments totaling approximately \$2.8 million (1.25% of the original principal balance). Quarterly payments increase to approximately \$4.2 million and \$5.6 million (1.875% and 2.5% of the original principal balance) during the final two years of the agreements, respectively.

On January 15, 2025, the Company entered into an Incremental Assumption Agreement and Amendment No. 4 (the “Fourth Amendment”) to the Credit Agreement. The Fourth Amendment expanded the syndicate to include member banks from the Farm Credit System and increased the amount of revolving facility commitments (the “Existing Revolving Facility Commitments”, and any loans thereunder, the “Existing Revolving Loans”) available to the Borrower under the Credit Agreement by \$25.0 million (the “Incremental Revolving Facility Commitments” and any loans thereunder, the “Incremental Revolving Loans”). The amount of revolving facility commitments available to the Borrower under the Credit Agreement, as amended, is \$200.0 million. The Incremental Revolving Facility Commitments and the Incremental Revolving Loans are subject to the same interest rates, commitment fees, maturity dates and other terms as the Existing Revolving Facility Commitments and the Existing Revolving Loans. The proceeds from any Incremental Revolving Loans will be used by the Company to fund the previously announced installation of a second ready-to-drink can line at the Conway Facility, and for general corporate purposes.

The Fourth Amendment also modified the secured net leverage ratio that the Company must comply with during the Covenant Relief Period to increase the maximum secured net leverage ratio to (a) 6.00x for the test period ending June 30, 2025, (b) 5.50x for the test period ending September 30, 2025, and (c) 5.25x for the test period ending December 31, 2025. In addition, the minimum liquidity covenant will not apply after the Covenant Relief Period ends. As of the date of this Quarterly Report on Form 10-Q, the Company was in compliance with its financial covenants.

We incurred a total of \$1.4 million in financing fees in connection with the Fourth Amendment. The fees were allocated to the Revolving Credit Facility, are reported within other long-term assets on the Condensed Consolidated Balance Sheets and are being amortized ratably over the remaining term of the Revolving Credit Facility.

Convertible Notes

On February 15, 2024, the Company sold and issued in a private placement \$72.0 million in aggregate principal amount of 5.00% convertible senior notes due 2029 (the “Convertible Notes”), of which \$50.0 million was from related parties. The Convertible Notes are unsecured, senior obligations of the Company and accrue interest at a rate of 5.00% per annum.

The Convertible Notes are carried at amortized cost and are recorded in long-term debt, net and convertible notes payable – related party, net on the Condensed Consolidated Balance Sheets. At June 30, 2025, the carrying value of the Convertible Notes was \$71.6 million, of which \$49.7 million was from related parties. We incurred a total of \$0.5 million of financing fees in connection with the Convertible Notes, which were ratably allocated to the convertible notes payable and the convertible notes payable – related party, respectively, and are being amortized into interest expense over the remaining term of the Convertible Notes utilizing the effective interest rate method.

Pursuant to the terms of the Convertible Notes, noteholders may convert their Convertible Notes at their option only in the following circumstances: (i) during the period commencing on August 15, 2024, and prior to the close of business on the trading day immediately preceding August 15, 2028, if the closing price for at least 20 trading days (whether or not consecutive) during the period of any 30 consecutive trading days in the immediately preceding calendar quarter is equal

to or greater than 130% of the conversion price; (ii) during the period commencing on August 15, 2028, and prior to the close of business on the second scheduled trading day immediately preceding February 15, 2029, at any time; and (iii) during the 35 trading days following the effective date of certain fundamental change transactions that occur prior to the close of business on the trading day immediately preceding August 15, 2028.

The Company will settle conversions by paying or delivering, as applicable, at the Company's election, cash, common stock, par value \$0.01 per share ("Common Shares"), or a combination of cash and Common Shares. The Company may not issue more than 19.99% of the issued and outstanding Common Shares immediately prior to the issuance of the Convertible Notes in respect of the conversion of the Convertible Notes. The initial conversion price of the Convertible Notes is \$12.84, which corresponds to an initial conversion rate of approximately 77.88 Common Shares per \$1,000 principal amount of Convertible Notes. The conversion price and conversion rate are subject to customary adjustments.

International Debt and Lending Facilities

On March 8, 2024, Falcon renewed its working capital trade finance facility with multiple institutions. The facility size was reduced from \$70.0 million to \$55.0 million and was uncommitted and repayable on demand, with certain of Falcon's assets pledged as collateral against the facility. The facility matured one year from inception. Borrowings under the facility bore interest at the borrower's option at a rate equal to (a) Term SOFR plus a margin of 4.00% plus a liquidity premium set by the lender at the time of borrowing or (b) the Base Rate (determined by reference to the greatest of (i) the Prime Rate, as defined in the facility, at such time, (ii) one-half of 1.00% in excess of the Federal Funds Effective Rate, as defined in the facility, at such time, and (iii) Term SOFR for a one-month tenor in effect at such time plus 1.00%). On August 21, 2024, Falcon amended its working capital trade finance facility, increasing the facility size from \$55.0 million to \$75.0 million. The interest rates and maturity date were unchanged as a result of the amendment.

On March 7, 2025, Falcon renewed its working capital trade finance facility with multiple institutions. The facility size was increased from \$75.0 million to \$85.0 million and remains uncommitted and repayable on demand, with certain of Falcon's assets pledged as collateral against the facility. The facility will mature one year from inception. Borrowings under the facility will bear interest at the borrower's option at a rate equal to (a) Term SOFR plus a margin of 4.00% plus a liquidity premium set by the lender at the time of borrowing or (b) the Base Rate (determined by reference to the greatest of (i) the Prime Rate, as defined in the facility, at such time, (ii) one-half of 1.00% in excess of the Federal Funds Effective Rate, as defined in the facility, at such time, and (iii) Term SOFR for a one-month tenor in effect at such time plus 1.00%).

At June 30, 2025, there was \$75.2 million of outstanding borrowings under the facility, which is recorded in short-term debt in the Condensed Consolidated Balance Sheets. Falcon's facility contains certain restrictive financial covenants which require Falcon to maintain certain levels of working capital, debt, and net worth. Falcon was in compliance with these financial covenants as of June 30, 2025.

On July 23, 2025, Falcon amended its working capital trade finance facility with multiple institutions. The facility size was increased from \$85.0 million to \$102.5 million and remains uncommitted and repayable on demand, with certain of Falcon's assets pledged as collateral against the facility.

On September 28, 2023, we entered into a \$5.0 million unsecured working capital trade finance facility with responsAbility Climate Smart Agriculture & Food Systems Fund through Falcon. The facility will mature on December 31, 2026, and requires stepped repayments of \$0.5 million on December 31, 2024, \$1.0 million on December 31, 2025 and \$3.5 million on December 31, 2026. Borrowings under the facility will bear interest at the borrower's option at a rate equal to (a) (i) the most recent applicable Term SOFR for the longest period (for which Term SOFR is available) which is less than the applicable interest period of the loan or (ii) if no such Term SOFR is available for a period which is less than the applicable interest period, SOFR for the day which is two U.S. Government Securities Business Days, as defined in the facility, before the Quotation Day, as defined in the facility; or (b) the most recent applicable Term SOFR (as of the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the applicable interest period of that loan, in each case plus the applicable margin. At June 30, 2025, there was \$4.5 million of outstanding borrowings under the facility, of which \$3.5 million and \$1.0 million is recorded in long-term debt, net and current maturities of long-term debt, respectively, on the Condensed Consolidated Balance Sheets. Falcon's facility

contains certain restrictive financial covenants which require Falcon to maintain certain levels of working capital, debt, and tangible net worth. Falcon was in compliance with these financial covenants as of June 30, 2025.

Supply Chain Finance Program

The Company is party to a supply chain finance program (the “Program”) with a third-party financing provider to provide better working capital usage by deferring payments for certain raw materials of up to \$100.0 million. Under the Program, the financing provider remits payment to the Company’s suppliers for approved invoices, and the Company repays the financing provider the amount of the approved invoices, plus a financing charge, on 180-day terms. The Program is uncommitted and the financing provider may, at its sole discretion, cancel the Program at any time. The Company may request cancellation of the Program in whole or in respect of one or more approved suppliers. Due to the extension of payment terms beyond the original due date of approved invoices, obligations under the Program are recorded outside of accounts payable, within our supply chain finance program, on our Condensed Consolidated Balance Sheets. As of June 30, 2025, there were \$98.3 million obligations outstanding under the Program.

Receivables Purchase Agreement

On June 27, 2025, the Company entered into a receivable purchase agreement (the “Factoring Agreement”) with a third-party financial institution (the “Factor”) through which the Company may sell up to \$35.0 million of certain trade receivables on a nonrecourse basis to the Factor. Transactions under the Factoring Agreement qualify for true-sale treatment in accordance with Accounting Standards Codification (“ASC”) 860, *Transfers and Servicing* (“ASC 860”), whereby receivables sold to the Factor are recorded as a reduction of accounts receivable in the Condensed Consolidated Balance Sheets. As a part of the Factoring Agreement, we perform certain collection and administrative functions for the receivables sold.

During the six months ended June 30, 2025, the Company received \$35.0 million of proceeds under the Factoring Agreement, and approximately \$0.4 million of fees were incurred associated with these sales, which are recorded within selling, general and administrative expense on the Condensed Consolidated Statements of Operations.

Green Coffee Repurchase Program

The Company is party to a master commodity purchase and sale agreement (the “Commodity Program”) with a third-party financing provider whereby the Company may enter into commodities purchase and sales, including transactions in which the Company sells green coffee to the financing provider, but retains a right, or obligation, to re-purchase the green coffee at the original sales price, plus a finance charge (“Repo Transactions”). The Commodity Program is uncommitted and may be canceled by the financing provider at any time. At June 30, 2025 and December 31, 2024, the Company had a right, or obligation, to repurchase \$9.9 million and \$0, respectively, of green coffee from the financing provider. The liability for Repo Transactions is recorded within accrued expenses and other current liabilities on the Company’s Condensed Consolidated Balance Sheets. Cash flows related to Repo Transactions are reported as financing activities in our Condensed Consolidated Statements of Cash Flows.

At-the-Market Common Stock Offering Program

We have an effective shelf registration statement on file with the SEC (the “Registration Statement”) to offer and sell various securities from time to time. Under the Registration Statement, we have established an at-the-market common stock offering program (the “ATM Program”) to sell shares of common stock not to exceed 5,000,000 Common Shares in the aggregate. During the three and six months ended June 30, 2025, the Company had no sales of Common Shares under the ATM Program. This program is intended to provide additional financial flexibility and an alternative mechanism to access the capital markets at an efficient cost as and when we need financing, including for acquisitions.

Current and Long-Term Liquidity

Our liquidity needs are to fund operating expenses, meet debt service obligations, and fund both current and long-term investment activities, which include capital expenditures. A key component of our long-term growth strategy is to

complete the commercialization of our Conway Facility, which utilizes state-of-the-art equipment specifically designed to efficiently manufacture and package a wide range of beverages, such as canned or bottled cold brew coffees, lattes, assorted teas, and juice-based products. We are continuing to build out the remaining portions of the facility and expect that the material capital expenditures will be completed by the end of the third quarter of 2025.

We believe cash from operations and borrowings available under the Revolving Credit Facility will provide sufficient cash on-hand to fund our operating expenses, debt service, near-term investment activities and near-term growth strategies, which include, (i) extending and enhancing product offerings through innovation, (ii) expanding our customer base and (iii) continuing to drive margin expansion. However, the Company will continuously evaluate its liquidity needs, especially in light of “C” market price volatility and tariff and trading restrictions (as discussed above) and may seek to opportunistically access additional liquidity, including through either the debt or equity capital markets. If it is determined that we have insufficient liquidity to fund our operating expenses, debt service and near-term investment activities, we may delay and/or reprioritize our near-term growth strategies, which may have an adverse impact on our ability to achieve our growth objectives.

We believe that cash from operations, borrowings available under the Revolving Credit Facility and our ability to obtain future financing will provide sufficient cash on hand to fund our long-term liquidity needs and growth strategies, which include (i) expanding geographically and (ii) finding accretive acquisitions.

Redemptions of Series A Preferred Shares

After February 26, 2028, any holder of Series A Preferred Shares may require Westrock to redeem all or any whole number of such holder’s Series A Preferred Shares in cash, subject to applicable law and the terms of any credit agreement or similar arrangement pursuant to which a third-party lender provides debt financing to Westrock or its subsidiaries, at a redemption price per share equal to the greater of (a) the liquidation preference and (b) the product of (i) the number of Common Shares that would have been obtained from converting one Series A Preferred Share on the redemption notice date and (ii) the simple average of the daily volume-weighted average price per Common Share for the ten (10) trading days ending on and including the trading day immediately preceding the redemption notice date. Assuming that the liquidation preference of the Series A Preferred Shares remains \$11.50 per share and all 23,510,527 Series A Preferred Shares remain outstanding after February 26, 2028, we estimate an aggregate redemption payment of at least approximately \$270.4 million. If Westrock was required by the holders to redeem a significant number of Series A Preferred Shares, Westrock may not have enough cash available (including through draws on its credit facility) for other purposes such as paying dividends on the Common Shares, repurchasing Common Shares, financing acquisitions or other expansions, paying employee incentives and/or executing its business strategy. An outflow of a significant amount of cash from Westrock as a result of redemptions of the Series A Preferred Shares may cause a deterioration in the financial condition of Westrock and our ability to pay our other obligations and/or execute our business strategy. The impact of such redemptions on Westrock will depend, among other things, on the financial condition of Westrock at the time of such redemptions, including the amount of available cash on hand and ability to draw on Westrock’s credit facilities or obtain other sources of financing, the business strategies and objectives of Westrock at that time and the magnitude of such redemptions. Additionally, we may reserve cash, refrain from pursuing other business objectives and/or direct cash away from other business objectives to ensure that we have sufficient available cash to satisfy holder redemptions, and this may adversely affect our business and financial condition and ability to execute on our business strategy.

Contractual and Other Obligations

Our material contractual and other obligations include the payment of principal and interest under our debt obligations and future purchase of inventory obligations. Our Term Loan Facility and Delayed Draw Term Loan Facility require quarterly principal payments of 1.25% of the original principal balance. Quarterly payments increase to 1.875% and 2.5% of the original principal balance during the final two years of the Credit Facility, respectively. We have no other material obligations to pay principal amounts of our long-term debt obligations prior to their maturity.

Future purchase obligations of \$422.1 million as of June 30, 2025 consist of commitments for the purchase of inventory over the next 12 months. These obligations represent the minimum contractual obligations expected under the normal course of business. There are no material purchase obligations beyond 12 months.

We have future obligations to repurchase \$0.5 million of inventory associated with repurchase agreements in which the Company's SS&T segment has sold inventory to a third party and from whom the Company's Beverage Solutions segment has an obligation to repurchase.

At June 30, 2025, we had a right or obligation to repurchase \$9.9 million of inventory associated with Repo Transactions, for which the liability is recorded within accrued expenses and other current liabilities on the Company's Condensed Consolidated Balance Sheets.

Capital Expenditures

We categorize our capital expenditures as (i) growth, (ii) maintenance, (iii) customer beverage equipment or (iv) other.

We define growth capital expenditures as investments in our manufacturing facilities that will contribute to revenue growth by increasing production capacity, improving production efficiencies, or related to production of new products. Maintenance capital expenditures are those necessary to keep our existing manufacturing equipment fully operational. Customer beverage equipment represents Company-owned equipment that is deployed in our customers' locations.

Capital expenditures for the six months ended June 30, 2025 and 2024 were as follows:

(Thousands)	Growth	Maintenance	Customer Beverage Equipment	Other	Total
Six months ended June 30, 2025	\$ 58,765	\$ 1,110	\$ 846	\$ 1,105	\$ 61,826
Six months ended June 30, 2024	\$ 102,742	\$ 1,043	\$ 538	\$ 782	\$ 105,105

We expect that the material capital expenditures will be complete by the end of the third quarter of 2025. If circumstances warrant, we may need to take measures to conserve cash, which may include a suspension, delay, or reduction in growth and/or maintenance capital expenditures. We continually assess our capital expenditure plans in light of developments impacting our business, including the needs of our customers.

Off-Balance Sheet Arrangements

As of the date of this Quarterly Report on Form 10-Q, we do not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

See Note 3, “Summary of Significant Accounting Policies,” to the Condensed Consolidated Financial Statements included in Item I of Part 1 of this Quarterly Report on Form 10-Q for a detailed discussion of recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the market risks discussed in Item 7A “Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K filed with the SEC on March 12, 2025.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and to ensure that information required to be disclosed is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2025, the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

A description of legal proceedings can be found in Note 19 “Commitments and Contingencies” to our Condensed Consolidated Financial Statements, included in this report at Part I, Item 1- Financial Statements, and is incorporated by reference into this Item 1.

Item 1A. Risk Factors

There have been no material changes to the risk factors affecting our business that were described under Item 1A “Risk Factors” discussed in our Annual Report on Form 10-K filed with the SEC on March 12, 2025.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

- (a) None.
- (b) None.
- (c) During the three months ended June 30, 2025, none of the Company’s directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

**Exhibit
Index**

Exhibit Number	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Certificate of Incorporation of Westrock Coffee Company	10-Q	001-41485	3.1	August 29, 2022	
3.2	Bylaws of Westrock Coffee Company	10-Q	001-41485	3.2	August 29, 2022	
31.1	Chief Executive Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
31.2	Chief Financial Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Chief Executive Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
32.2	Chief Financial Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	XBRL Taxonomy Extension Schema Document.					*
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					*
101.DEF	XBRL Definition Linkbase Document.					*
101.LAB	XBRL Taxonomy Label Linkbase Document.					*
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					*
104	Cover Page Interactive Data File – The Cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					

* Filed herewith.

** Furnished herewith.

Signatures

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 thereunto duly authorized.

Date: August 7, 2025

Westrock Coffee Company

By: /s/ T. Christopher Pledger

Name: T. Christopher Pledger

Title: Chief Financial Officer and Chief Administrative Officer

(Principal Financial Officer)

Date: August 7, 2025

By: /s/ Blake Schuhmacher

Name: Blake Schuhmacher

Title: Senior Vice President – Chief Accounting Officer

(Principal Accounting Officer)

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

I, Scott T. Ford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westrock Coffee Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Scott T. Ford

Scott T. Ford

Chief Executive Officer

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

I, T. Christopher Pledger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westrock Coffee Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ T. Christopher Pledger
T. Christopher Pledger
Chief Financial Officer

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

In connection with the accompanying Quarterly Report of Westrock Coffee Company (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott T. Ford, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

/s/ Scott T. Ford

Scott T. Ford
Chief Executive Officer

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

In connection with the accompanying Quarterly Report of Westrock Coffee Company (the "Company") on Form 10-Q for the period ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, T. Christopher Pledger, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2025

/s/ T. Christopher Pledger

T. Christopher Pledger
Chief Financial Officer
