

GENERAL FAQ

Why did NewAge file voluntarily for Chapter 11 relief?

NewAge determined that the Chapter 11 process was the most expeditious way to pursue a range of strategic alternatives, including available financing options and a potential merger, sale or other transaction. Under court supervision, the process will protect the business and its value for all stakeholders, and therefore will allow the Company to continue to operate, preserve jobs and potentially effectuate a value-maximizing sale without the burden of legacy issues. The filing will allow the Company to effectively reorganize while laying out a clearer path for the future growth.

What is a Chapter 11 filing?

Chapter 11 is a section of the United States Bankruptcy Code that allows a corporation to reorganize its finances through a court-supervised proceeding. During Chapter 11, the company, or “debtor in possession,” will continue to operate its business in the same manner as it did before the filing and intends to pay all of its post-filing debts and obligations in the ordinary course of business. In some cases, companies use this process to seek a new buyer or strategic partner for the business.

Why is NewAge in this position? What happened?

The last few years have been challenging due to COVID-related supply chain issues, the integration of prior acquisitions, management changes, and expenses related to dealing with legacy issues. Over the past year, NewAge has taken steps to right-size the organization by selling its U.S.-based manufacturing facility, moving its corporate headquarters from Denver to Midvale, and reducing non-essential costs.

Where did NewAge file?

The Company filed bankruptcy petitions in the U.S. Bankruptcy Court for the District of Delaware. More information is available on the Company’s restructuring website at cases.stretto.com/NewAge maintained by Stretto, the claims agent.

Which entities are included in the filing?

NewAge, Inc., Morinda Holdings, Inc., Morinda Inc., and Ariix LLC are included in the filing. They are subject to a court supervised process, which means that they will be monitored by the court for the duration of the Chapter 11 cases, but with court-approved flexibility to operate in the ordinary course. Other NewAge entities, including the DSD business, are not included in the filing. These entities are not part of the court supervised process and can operate without court oversight. For all legal entities, there should be little impact on day-to-day operations.

Is NewAge bankrupt?

While NewAge has filed for protection under Chapter 11, it is not without financial resources to conduct its business in the ordinary course. Many people think of “going bankrupt” when a company is no longer in business, but this proceeding is not a liquidation where NewAge is ceasing operations. The Company expects to have sufficient liquidity to meet ongoing operational obligations during the court-supervised process, including paying vendors for all goods and services received on or after the filing date.

Will NewAge continue operations?

Yes, NewAge intends to make this process as seamless as possible for key stakeholders – including employees, vendors, customers and brand partners. Day-to-day operations will continue with minimal interruption during the process, subject to court approval of the Company’s “first day” motions. NewAge intends to pay vendors and partners under customary terms for goods and services received on or after the filing date and to pay its employees in the usual manner and to continue their primary benefits without disruption. The Company expects to receive court approval for these routine requests.

Does NewAge have enough cash to operate your business?

Yes, NewAge expects to have sufficient liquidity to meet ongoing operational obligations during the court-supervised process, including paying vendors for all goods and services received on or after the filing date. In fact, the Company has the consent of its lenders for the use of cash collateral and has secured a commitment for \$16 million in debtor-in-possession (“DIP”) financing.

Is NewAge going out of business?

No. The reorganization gives NewAge a protected period to pursue a range of strategic alternatives and strengthen the business while continuing to operate in the normal course.

What is the sale process?

NewAge has filed a motion to obtain court approval of an asset purchase agreement with a “stalking horse” bidder, DIP Financing, LLC. Under the terms of the agreement, DIP Financing, LLC intends to purchase substantially all the Company’s global business operations as a going concern. The Company believes the agreement with DIP Financing, LLC, a group with relevant industry experience, represents a significant step forward to stabilize operations and clear a path for future growth. This agreement is subject to court approval and any higher or better offers as part of the ongoing bankruptcy process. Timing and details will be made available in the coming days. The Company expects to complete the sale process in the next few months, pending court approval. It will continue to operate the business in the ordinary course throughout the court and sale process.

Does NewAge expect to exit any businesses or stop selling any products?

At the present time, NewAge does not expect to exit any businesses or stop selling any products as a result of the filing. The Chapter 11 filing will allow the Company to continue to deliver quality products to its customers while providing a clearer path for future growth.

Who are NewAge’s major shareholders?

NBEV shares have traded fluidly, primarily among institutional investors. NewAge does not have any controlling shareholders. Ownership is disclosed in Schedules 13-D, 13-G and 13-F and other related filings with the Securities and Exchange Commission that are publicly available.

Is NBEV stock still trading?

Yes, although trading will likely be halted at least temporarily when the news release describing the Chapter 11 filing is disseminated. As is the case after a Chapter 11 filing, NBEV expects to receive notice from NASDAQ informing NewAge that its shares will be delisted from the exchange within nine calendar days of notification. The Company also expects to request the Court to approve customary restrictions on certain ownership changes to preserve the value of its Net Operating Losses as a tax asset.

What will happen to the value of NBEV shares?

Shareholders only receive value to the extent that there are funds left over after satisfying all creditors through the court-supervised process. The value available to pay creditors and shareholders is dependent on the strategic process and the Company’s cash flow relative to the size of the claims against the Company.

How long will NewAge remain in Chapter 11?

NewAge expects to move through this process as efficiently as possible while operating the business. The Company is pursuing an expedited schedule in the Bankruptcy Court with assistance from its advisors, but a definitive timeline cannot be provided at this time.

How can I obtain more information?

If you have questions regarding the Chapter 11 filing, please visit the Company’s restructuring website at cases.stretto.com/NewAge maintained by Stretto, the claims agent.