Risk Factors Comparison 2024-02-29 to 2023-03-01 Form: 10-K

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In addition to the other information contained in this Report, including in ~~"~~ **Part II,** Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations ~~"~~ and the consolidated financial ~~statement~~ **statements** and **related** notes **thereto** , you should carefully consider the following risks. The ~~risks and uncertainties~~ **occurrence of any of the events** discussed below **could significantly** and ~~elsewhere in this Report may not be the only risks we face. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also materially~~ adversely affect our business, **prospects, results of operations,** financial condition, ~~operating results~~ and ~~prospects~~ **cash flows** . Risk Factors Relating to Our Business **We rely on distributors** ~~Our business and results of operations may be adversely affected by new COVID- 19 variants COVID- 19 has presented and continues~~ to **distribute** ~~present a substantial public health and economic challenge around the world and is affecting~~ our **products in** ~~employees, communities and business operations, as well as~~ the ~~global economy~~ **DSD sales channel** and ~~financial~~ **in international** markets ~~. The human and economic consequences of new COVID- 19 variants as well as the measures taken or that may be taken in the future by governments, businesses (including the Company and our suppliers, distributors, co- packers and other service providers) and the public at large to limit the spread of new COVID- 19 variants, may directly and indirectly impact our business and results of operations, including, without limitation, the following: • Decreases in sales of our products in various distribution channels that are affected by COVID- 19 variants. A resurgence of COVID- 19 variants could cause reinstituted lockdowns and other restrictions, which could further impact customer demand. If COVID- 19 variants and related unfavorable economic conditions continued to intensify, the negative impact on our sales, including our new product innovation launches, could be prolonged and may become more severe. • Deteriorating economic conditions and continued financial uncertainties in many of our major markets due to the COVID- 19 pandemic, such as increased and prolonged unemployment, decreases in per capita income and the level of disposable income, declines in consumer confidence, or economic slowdowns or recessions, could affect consumer purchasing power and consumers' ability to purchase our products, thereby reducing demand for our products. In addition, public concern among consumers regarding the risk of contracting COVID- 19 may also reduce demand for our products. • The closures of, and restrictions on, on- premise retailers and other establishments that sell our products as a result of new COVID- 19 variants could adversely impact our sales and results of operations. • Our advertising, marketing, promotional, sponsorship and endorsement activities have been, and will continue to be, disrupted by reduced opportunities for such activities due to measures taken to limit the spread of new COVID- 19 variants and cancellations of / or reduced capacity at sporting events, concerts and other events could result in decreased demand for our products. Our product sampling programs, which are part of our strategy to develop brand awareness, have been, and could be, disrupted by new COVID- 19 variants~~ . If we are unable to ~~successfully adapt to~~ **maintain good relationships with our existing distributors, our business will suffer. We distribute CELSIUS ® in** the ~~changing landscape of advertising~~ **DSD sales channel by entering into agreements with direct- to- store delivery distributors having established sales** , marketing ~~, promotional, sponsorship~~ **and distribution organizations. During August 2022 we entered into** ~~and~~ - **an** ~~endorsement opportunities created by~~ **exclusive distribution agreement with Pepsi for certain parts of the U. S., and we extended this relationship during 2023 and 2024 to certain parts of Canada. Also during 2024, we entered into an exclusive distribution agreement with Lucozade Ribena Suntory Limited for the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man and the Republic of Ireland. We are substantially reliant on each of** ~~the~~ **these** ~~COVID- 19 pandemic,~~ **multiyear arrangements for our distribution in the respective territories. We anticipate that we will extend these** ~~our~~ - **or establish additional distributor arrangements as we continue to expand our operations. These significant distributors are, and certain of our additional distributors may also be, affiliated with and manufacture or distribute other beverage products. In many cases, such products compete directly with our products. The** sales **and distribution efforts of our distributors are important for our success. If CELSIUS ® proves to be less attractive to our distributors or if we fail to attract new or replacement distributors** , **or our distributors do not** market ~~share, volume growth~~ and ~~overall financial results could~~ **promote our products with greater or similar focus in preference to the products of our competitors, we may not have any meaningful recourse or** be **able** ~~negatively affected. • Our innovation activities, including our ability~~ to **replace** ~~introduce new products in certain markets, have been delayed and / or adversely impacted by the COVID- 19 pandemic. If~~ such ~~innovation activities are disrupted, delay the launch of new products and / or we are unable to secure sufficient distribution levels for such new products, our business and results of operations could be adversely affected. • Some of our suppliers,~~ distributors ~~and co- packers may experience plant closures, production slowdowns and disruptions~~ in ~~operations as~~ a **timely manner** ~~result of the impact of new COVID- 19 variants. This could result in a disruption to our operations. • We may experience delays in receiving certain raw materials as a result of shipping delays due to, among other things, additional safety requirements imposed by port authorities, closures of, or congestion at ports, reduced availability of commercial transportation, border restrictions and capacity constraints. • Due to increased demand in at- home consumption, the beverage category has experienced some shortages of aluminum cans. However, we have been able to secure adequate supply and have not experienced significant adverse effects on our business, operations and financial condition from such shortage, however we are unable to accurately predict how this might change in the future. • Governmental authorities at the U. S. federal, state and / or municipal level and in certain foreign jurisdictions may increase or impose new income taxes, indirect taxes or other taxes or revise interpretations of existing tax rules and regulations as a means of financing the costs of stimulus or may take other measures to protect populations and economies from the impact~~

~~of the COVID- 19 pandemic. Increases in direct and indirect tax rates could affect our net income and increases in consumer taxes could affect our products' affordability and reduce our sales. • We may be required to record significant impairment charges with respect to goodwill or intangible assets whose fair values may be negatively affected by the effects of the COVID- 19 pandemic or new COVID- 19 variants in the future. • The continued financial impact of new COVID- 19 variants may cause one or more of the financial institutions we do business with to fail or default in their obligations to us or to become insolvent or file for bankruptcy~~ , which could ~~cause us to incur significant losses and negatively impact our results of operations and financial condition. • Actions we have taken or may take, or decisions we have made or may make, as a consequence of the COVID- 19 pandemic may result in negative publicity and the Company becoming a party to litigation claims and / or legal proceedings, which could consume significant financial and managerial resources, result in decreased demand for our products and injury to our reputation. Any of the negative impacts of the COVID- 19 pandemic, including those described above, alone or in combination with others, may~~ have a material adverse effect on our business, ~~reputation, operating results and / or~~ financial condition ~~. Any of these negative impacts~~ , ~~alone or in combination with others, could exacerbate many of the risk factors discussed herein, any of which could materially affect our business, reputation, operating~~ results **of operations,** and **cash flows** ~~/ or financial condition~~ . Consolidation of retailers, wholesalers and distributors in the industry may result in downward pressure on sales prices **, and the changing landscape of the retail market, including the rapid growth in e- commerce, could adversely affect our results of operations. Our industry is being affected by the trend toward consolidation in retail channels, particularly in North America and Europe** . Consolidation can cause significant downward pricing pressure and can impose additional costs on us. ~~adversely affect our operating results.Changes in the retail landscape or the loss of key retail or food service customers could adversely affect our financial results.Our industry is being affected by the trend toward consolidation in and blurring of the lines between retail channels,particularly in Europe and the United States.Larger retailers~~ **Retailers** may seek lower prices from us,may demand increased marketing or promotional expenditures **in support of their businesses** ,and may be more likely to use their distribution networks to introduce and develop private- label brands,any of which could negatively affect our profitability. ~~In addition,discounters~~ **As a result of increased consolidation of ownership** and ~~value stores~~ **purchasing power in the retail industry,** ~~are~~ **large** ~~growing at~~ **retailers with increased purchasing power may impact our ability to compete in many markets.Consequently,our smaller customers' ability to compete may be impacted adversely,resulting in their inability to pay for our products,which,in turn,would reduce the amount of products we sell.Any inability to successfully manage the potential impact of these commercial changes,could have** a ~~rapid pace~~ **material adverse effect on our business,financial condition,results of operations,and cash flows** .Our industry is also being affected by the rapid growth in sales through e- commerce retailers,e- commerce websites,mobile commerce applications and subscription services,which may result in a shift away from physical retail operations to digital channels.As we build our e- commerce capabilities,we may not be able to develop and maintain successful relationships with existing and new e- commerce retailers without ~~experiencing~~ **suffering** a deterioration of our relationships with key customers operating physical retail channels. ~~If we are unable to successfully adapt to the rapidly changing retail landscape,including the rapid growth in digital commerce,our share of sales,volume growth and overall financial results could be negatively affected.~~ If we are unable to successfully **adapt to** ~~manage the potential impact of these~~ -- **the rapidly changing retail landscape, including the rapid growth in digital** ~~commercial~~ **commerce** ~~changes~~ , our **share of sales, volume growth, and overall** financial results ~~may~~ **could** be **negatively** ~~materially and adversely~~ affected **. In addition, our success depends in part on our ability to maintain good relationships with key retail customers. The loss of one or more of our key retail customers could have an adverse effect on our business, financial condition, results of operations, and cash flows** . We rely on third **-** party co- packers to manufacture our products. If we are unable to maintain good relationships with our co- packers ~~and /~~ or their ability to manufacture our products becomes constrained or unavailable to us, our business could suffer. We do not directly manufacture our products, but instead outsource such manufacturing to ~~established~~ third **-** party co- packers **. We have created a network model within North America that encompasses the utilization of co- packers and warehousing across each geographical area, as well as alternative warehousing and co- packing capacity, in order to reduce our exposure within each geographical area** . These third- party co- packers may not be able to fulfill our demand as it arises **or fail to meet our product specifications** , could begin to charge rates that make using their services cost inefficient or may simply not be able to or willing to provide their services to us on a timely basis or at all. **There could also be food safety concerns or other regulatory compliance issues with our third- party co- packers, which could require them to (temporarily or permanently) cease manufacturing product and / or necessitate destruction of product that they have already manufactured.** In the event of any disruption or delay **in production of product by our co- packers** , whether caused by a rift in our relationship or the inability of our co- packers to manufacture our products as required, we would need to secure the services of alternative co- packers. We may be unable to procure alternative packing facilities at commercially reasonable rates ~~and /~~ or within a reasonably short time period **,** and any such transition could be costly. In such case, our business, financial condition ~~and~~ **,** results of operations **and cash flows** would be adversely affected. ~~We rely on distributors~~ **Our customers are material** to ~~distribute~~ our **success** ~~products in the DSD sales channel and in international markets~~ . If we are unable to maintain good relationships with our existing ~~distributors~~ **customers** , our business could suffer ~~. We distribute CELSIUS ® in the DSD sales channel by entering into agreements with direct- to- store delivery distributors having established sales, marketing and distribution organizations. We similarly are seeking to expand our international distribution, by entering into agreements with large established distributors who service those markets. Many of our distributors are affiliated with and manufacture and / or distribute other beverage products. In many cases, such products compete directly with our products. The marketing efforts of our distributors are important for our success. If CELSIUS ® proves to be less attractive to our distributors and / or if we fail to attract distributors, and / or our distributors do not market and promote our products with greater focus in preference to the products of our competitors, our business, financial condition and results of operations could be adversely affected~~ . Our customers ~~are material to our success. If we are unable to maintain good relationships with our existing customers~~ , **including** ~~our business could suffer. Unilateral decisions could be taken by our~~ distributors, grocery chains, convenience chains, drug stores, nutrition stores, mass merchants, club warehouses and other customers **, may decide for any reason or no reason at all** to discontinue carrying all or any of our products ~~that they~~ **, which could cause our business to suffer. Such decisions** are ~~carrying at~~ **outside of our control, and may be made based upon** any ~~time~~ **number of reasons** , ~~which~~ **including cost, changing consumer tastes and preferences and the availability of competing products. Such a loss of customers** ~~could~~ **would** ~~cause~~ **have a material adverse effect on** our business ~~to suffer~~ **, financial condition, results of operations, and cash flows** . Increases in cost or shortages of raw materials or increases in costs of co- packing could harm our business. The principal raw materials used ~~by us~~ **in our products** are flavors and ingredient blends as well as aluminum cans, the prices of which are subject to ~~fluctuations~~ - **fluctuation** . We are uncertain whether the prices of any of the ~~above~~ **foregoing** or any other raw materials or ingredients we utilize will rise in the future and whether we will be able to pass any of such increases on to our customers. We do not use hedging agreements or alternative instruments to manage the risks associated with securing sufficient ingredients or raw materials. In addition, some of these raw materials, such as our sleek 12 ounce can, are **only** available from a limited number of suppliers. As alternative sources of supply may not be available, any interruption in the supply of such raw materials **could** ~~might materially harm us. While the functional energy drink and supplement industries~~ have ~~experienced some~~ **a material adverse effect on our business, financial condition, results of operations, and cash flows. In the past, our industry has faced** shortages ~~of cans as a result of the COVID- 19 pandemic, Celsius has been able to secure adequate supply, though potentially at higher cost. To address the industry- wide shortage~~ of aluminum cans, **a key raw material** ~~we have imported cans manufactured abroad which affected our margins in 2021 and 2022. We are unable to accurately predict how these cost trends might evolve prospectively~~ . Such industry- wide shortages of raw materials, including aluminum cans, could from time to time ~~in the future~~ **(and often unpredictably)** be encountered, which could interfere with ~~and /~~ or delay production of certain of our products and negatively impact our financial performance **. Our demand generation strategies through use of third- parties, including celebrities, social media influencers, and others may expose us to risk of negative publicity, litigation, and / or regulatory enforcement action, which could impact our future profitability. We rely on marketing by social media influencers and celebrity spokespersons that represent the Celsius brand to generate demand for our products. The promotion of our brand, products, and services by social media influencers and celebrities is subject to FTC regulations and guidance, including, for example, a requirement to disclose any compensatory arrangements between us and influencers in any reviews or public statements by such influencers about the Company or our products. These social media influencers and celebrities, with whom we maintain relationships, could engage in activities or behaviors or use their platforms to communicate directly with our customers in a manner that violates applicable requirements or reflects poorly on our brand and that behavior may be attributed to us or otherwise adversely affect us. In addition, influencers and celebrities who are associated with us may engage in behavior that is unrelated to us but that causes damage to our brand because of these associations or may make claims against us whether or not based in facts. In 2023 we received an adverse jury verdict in the amount of $ 82. 6 million related to a lawsuit filed by a former influencer, which is currently on appeal. Any such activities or behaviors of the social media influencers or celebrities we engage, litigation with such third- parties, or our failure to adhere to regulatory requirements could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and on our reputation. We have extensive commercial arrangements with Pepsi and, as a result, significant disagreements with Pepsi or a termination of these arrangements could materially adversely impact our financial position and results of operations. In 2023, sales to Pepsi constituted 59. 4 % of our total net revenue, and receivables from Pepsi represented 69. 0 % of our total receivables as of December 31, 2023. Pepsi is our primary distribution supplier for our products in the U. S. and the exclusive distributor of our products in Canada. As a result, we have reduced our distributor diversification and are dependent on Pepsi' s domestic distribution platforms. Given the significant concentration of our supply chain with Pepsi, any significant disagreement or a termination of our arrangement could prevent us from distributing our products and have a material adverse effect on our financial results** . Our failure to accurately estimate demand for our products could adversely affect our business and financial results. We may not correctly estimate demand for our existing products ~~and /~~ or new products. Our ability to estimate demand for our products ~~is imprecise~~ **relies on various assumptions that may ultimately prove to be incorrect** , particularly with regard to new products, and **our estimates** may be less precise during periods of rapid growth, including in new markets. If we materially underestimate demand for our products or are unable to secure sufficient ingredients, flavors, aluminum cans and other raw materials **or packaging materials** for our ~~supplements~~ **beverage products** or experience difficulties with our co- packing arrangements, including production shortages or quality issues, we might not be able to satisfy demand on a short- term basis. Moreover, industry- wide shortages of certain ingredients **and packaging materials** have occurred and could occur, from time to time in the future, resulting in production fluctuations ~~and /~~ or product shortages. We generally do not use hedging agreements or alternative instruments to manage this risk. Such shortages could interfere with ~~and /~~ or delay production of certain of our products and could have a material adverse effect on our business ~~and~~ **,** financial **condition,** results **of operations, and cash flows** . If we do not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, our inventory levels may be inadequate **,** and our results of operations may be negatively impacted. If we fail to meet our shipping schedules, we could damage our relationships with distributors ~~and /~~ or retailers, increase our distribution costs ~~and /~~ or cause sales opportunities to be delayed or lost. In order to be able to deliver our products on a timely basis, we need to maintain adequate inventory levels of the desired products. If the inventory of our products held by our distributors ~~and /~~ or retailers is too high, they will not place orders for additional products, which could unfavorably impact our future sales and adversely affect our operating results. Changes...... more of our key retail customers could have ~~an~~ **a material** adverse effect on our **business,** financial ~~performance~~ **condition, results of operations, and cash**

flows . Significant additional labeling or warning requirements or limitations on the marketing or sale of our products may inhibit sales of affected products. Various jurisdictions may ~~seek to~~ adopt significant additional product labeling or warning requirements or limitations on the marketing or sale of our products as a result of ~~what our products contain~~ **the ingredients we use** or allegations that our products cause adverse health effects. If these types of requirements become applicable to one or more of our products ~~under current or future environmental or health laws or regulations~~ , they may inhibit sales of such products. For example, under one such law in California, known as Proposition 65, if the state has determined that a substance causes cancer **, birth defects** or **other reproductive** ~~harms~~ - **harm** ~~human reproduction~~ , a warning must be provided for any product sold in the state that exposes consumers to that substance, unless the exposure falls under an established safe harbor level or another exemption is applicable. If we were required to add Proposition 65 warnings on the labels of one or more of our ~~supplement~~ products produced for sale in California, the resulting consumer reaction to the warnings and possible adverse publicity could negatively affect our sales both in California and in other markets. **In addition, we are aware of ongoing efforts in the U. S. and in certain foreign countries to seek governmental review of the energy drink industry, including with respect to advertising claims, health claims, caffeine content, and marketing to individuals under the age of 18. Should we become the target of government review or experience limitations on or additional requirements with respect to the marketing or sale of our products, our business, financial condition, results of operations, and cash flows may be materially, adversely impacted.** Our continued expansion outside of the ~~United States~~ **U. S.** exposes us to uncertain conditions and other risks in international markets. We have sales of products internationally in a variety of markets **,** and **most recently began** ~~are currently seeking to expand our international~~ distribution **through third- parties in Canada, the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man and the Republic of Ireland** . As our growth strategy includes ~~further~~ **continuing the** ~~expanding~~ - **expansion** ~~our~~ **in these and other** international ~~business~~ **markets** , **if our current efforts are unsuccessful or** if we are unable to continue to expand distribution of our products outside the ~~United States~~ **U. S.** , our growth rate could be adversely affected. Although we **do, and we** intend to **continue to,** sell through established distributors in international markets, we have limited or no operating experience in many of such markets **,** and it may be costly to promote our brands in international markets. We face and will continue to face substantial risks associated with foreign distribution and sale of our products, including economic ~~and /~~ or political instability in various international markets; fluctuations in foreign currency exchange rates; restrictions on or costs relating to the repatriation of foreign profits to the ~~United States~~ **U. S.** , including possible taxes ~~and /~~ or withholding obligations on any repatriations; and tariffs ~~and /~~ or trade restrictions. ~~These risks could have a significant impact on our ability to distribute and sell our products on a competitive basis in international markets and could have a material adverse effect on our business, financial condition and results of operations.~~ Also, distribution and sale of products outside of the ~~United States~~ **U. S.** are subject to risks relating to appropriate compliance with legal and regulatory requirements in local jurisdictions, potentially higher product damage rates if our products are shipped long distances, potentially higher incidence of fraud ~~and /~~ or corruption, credit risk of distributors and potentially adverse tax consequences. **Our products have also been sold without our consent outside of our distribution networks which can expose us to regulatory scrutiny should our product be sold or consumed in markets without proper approvals. These risks could have a significant impact on our ability to distribute and sell our products on a competitive basis in international markets or result in the imposition of fines or lost revenue, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.** Numerous U. S. and ~~International~~ **international** laws **,** including export and import controls **,** affect our ability to compete in international markets. U. S. export control laws and economic and trade sanctions prohibit the provision of certain products and services to U. S. embargoed or sanctioned countries, governments and persons. Even though we take precautions to prevent our products from being shipped or provided to embargoed countries and U. S. sanctions targets, they could be shipped, or provided by our distributors, to those countries and targets despite such precautions. The provision of goods in violation of U. S. export controls ~~and /~~ or sanctions could have negative consequences for our business, including government investigations, penalties and reputational harm. We must also comply with U. S. import laws. U. S. laws such as the Foreign Corrupt Practices Act (the " FCPA ") also impact our international activities. We are subject to the FCPA and other laws that prohibit improper payments and offers to foreign officials and political parties for the purpose of obtaining or retaining business. Selling products into international markets, including through distributors, creates the risk of unauthorized payments or offers, for which we may be held responsible. Violations of the FCPA or other applicable anti- corruption and anti- bribery laws may result in severe criminal or civil sanctions, or other liabilities, which could ~~negatively~~ **have a material adverse** ~~affect~~ **effect on** our business, ~~operating results and~~ financial condition **, results of operations, and cash flows** . Changes in export and import regulations, economic sanctions and related laws, shifts in the enforcement or scope of existing regulations, changes in the countries, governments or persons targeted by such regulations and the imposition of tariffs may create delays in the introduction and sale of our products in international markets, result in decreased ability to export or sell our products to existing or potential customers with international operations or in some cases, prevent the export or import of our products to certain countries, governments or persons. Actions taken with respect to tariffs or trade relations between the ~~United States~~ **U. S.** and other countries, the products subject to such actions, and actions taken by other countries in retaliation may also have an adverse impact on us. The failure to comply with applicable current or future U. S. import, export control, sanctions and anti- corruption laws, including U. S. Customs regulations, could expose us and our employees to substantial civil or criminal penalties, fines and in extreme cases, incarceration. In addition, if our distributors fail to obtain appropriate import, export or re- export licenses or authorizations, or otherwise act in accordance with applicable laws, we may be adversely affected through reputational harm and penalties **, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . Failure to successfully complete or manage strategic transactions can adversely affect our business **.** We regularly review ~~our portfolio of businesses~~ and evaluate potential acquisitions, joint ventures, distribution agreements, divestitures, and other strategic transactions. The success of these transactions ~~, including the recent completion of the strategic transaction with Pepsi~~ , is dependent upon, among other things, our ability to realize the full extent of the expected returns, benefits, cost savings or synergies as a result of a transaction, within the anticipated time frame, or at all; and receipt of necessary consents, clearances and approvals. Risks associated with strategic transactions include integrating manufacturing, distribution, sales, accounting, financial reporting and administrative support activities and information technology systems with our company or difficulties separating such personnel, activities and systems in connection with divestitures; operating through new business models or in new categories or territories; motivating, recruiting and retaining executives and key employees; conforming controls (including internal control over financial reporting and disclosure controls and procedures) and policies (including with respect to environmental compliance, health and safety compliance and compliance with anti- bribery laws); retaining existing customers and consumers and attracting new customers and consumers; managing tax costs or inefficiencies; maintaining good relations with divested or refranchised businesses in our supply or sales chain; inability to offset loss of revenue associated with divested brands or businesses; managing the impact of business decisions or other actions or omissions of our joint venture partners that may have different interests than we do; and other unanticipated problems or liabilities, such as contingent liabilities and litigation. Strategic transactions that are not successfully completed or managed effectively, or our failure to effectively manage the risks associated with such transactions, could **have a material** ~~continue to result in~~ adverse ~~effects~~ - **effect** on our business. If we fail to......, our growth rate could decline and our business, financial condition ~~and~~ **,** results of operations **,** ~~could be adversely affected. Climate change and natural disasters may affect our business. There is concern that a gradual increase in global average temperatures due to increased carbon dioxide and other greenhouse gases in the atmosphere could cause significant changes in weather patterns around the globe and an~~ **and cash flows** increase in the frequency and severity of...... our operations, either positively or negatively . We depend upon our trademarks and proprietary rights, and any failure to protect our intellectual property rights or any claims that we are infringing upon the rights of others may adversely affect our competitive position. Our success depends, in large part, on our ability to protect our current and future brands and products and to defend our intellectual property rights. We cannot be sure that trademarks will be issued with respect to any future trademark applications or that our competitors will not challenge, invalidate or circumvent any existing or future trademarks issued to, or licensed by ~~,~~ us. Our products are manufactured using our proprietary blends of ingredients. These blends are created by third- party suppliers to our specifications and then supplied to our co- packers. Although all of the third parties in our supply and manufacture chain execute confidentiality agreements, there can be no assurance that our trade secrets, including our proprietary ingredient blends will not become known to competitors. We believe that our competitors, many of whom are more established ~~and have greater financial and personnel resources than we do~~ , may be able to replicate or reverse engineer our processes, brands, flavors, or our products in a manner that could circumvent our protective safeguards. Therefore, we cannot give you any assurance that our confidential business information will remain proprietary. Any such loss of confidentiality could diminish or eliminate any competitive advantage provided by our proprietary information **, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . We must continually maintain, protect ~~and /~~ or upgrade our information technology systems, including protecting us from internal and external cyber- security threats. Information technology enables us to operate efficiently, interface with customers, maintain financial accuracy and efficiency and accurately produce our financial statements. If we do not appropriately allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the **exposure of private data, the** loss of customers, business disruptions, ~~and /~~ or the loss of ~~and /~~ or damage to **our** intellectual property **or brand image** through security breaches, including internal and external cyber- security threats. Cyber- security attacks by hackers, criminal groups or nation- state organizations are evolving and include, but are not limited to, malicious software (malware, ransomware and viruses), phishing and social engineering, cyber extortion, attempts to gain unauthorized access to networks, computer systems and data, malicious or negligent actions of employees (including misuse of information they are entitled to access) and other forms of electronic security breaches that could lead to disruptions in business systems, an inability to process customer orders ~~and /~~ or lost customer orders, unauthorized access, destruction, loss, alteration, falsification, unavailability or release of material confidential or otherwise protected information and corruption of data. Such cyberattacks could result in violations of data protection laws and regulations, damage to the reputation and credibility of the Company, loss of opportunities to acquire or divest of businesses, and loss of ability to commercialize products developed through research and development efforts **, any of which could require us to spend significant financial or other resources to remedy,** and, therefore, could have a ~~negative impact~~ **material adverse effect** on ~~net~~ **our business, financial condition, results of** ~~operating~~ **operations** ~~revenues~~ **, and cash flows** . We rely on relationships with third parties, including suppliers, distributors, co- packers, contractors, cloud data storage and other information technology service providers and other external business partners, for certain functions or for services in support of our operations. These third- party service providers, and partners, with whom we may share data including without limitation, for data hosting, back- office support, and other functions, are subject to similar risks as we are **,** relating to cyber- security, privacy violations, business interruption, and systems, as well as employee failures. While we have procedures in place for selecting and managing our relationships with third- party service providers and other business partners, we do not have control over their business operations or governance and compliance systems, practices and procedures, which increases our financial, legal, reputational and operational risk. These third parties may experience cyber- security incidents that may involve data we share with them or rely on them to provide to us, and the need to coordinate with such third- parties, including with respect to timely notification and access to personnel and information concerning an incident, may complicate our efforts to resolve any issues that arise. **In addition** ~~We believe that we have adopted appropriate measures including but not limited to ongoing cyber- security risk assessments and business continuity measures to mitigate potential risks to our technology and our operations from these information technology- related disruptions. However, given the unpredictability of the timing, nature and scope of such disruptions, we could potentially be subject to operational~~

~~interruption, damage to our brand image and private data exposure. We could also be required to spend significant financial and other resources to remedy the damage caused by a cyber- security attack or to repair or replace networks and information systems. Moreover~~ , if our data management systems do not effectively collect, store, process and report relevant data for the operation of our business (whether due to network or equipment malfunction or constraints, software deficiencies, cyber-security attack ~~and /~~ or human error), our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could **have a** ~~materially~~ -- **material** ~~and adversely~~ -- **adverse** ~~affect~~ **effect on** our **business,** financial condition, results of operations, **and** cash flows **,** and the timeliness with which we report our internal and external operating results. ~~While we have purchased~~ **There are no assurances that our** cyber- security insurance ~~, there are no assurances that the coverage~~ would be adequate in relation to any incurred losses. Moreover, as cyber- security attacks ~~and~~ increase in frequency and magnitude, we may be unable to obtain cyber-security insurance in amounts and on terms we view as appropriate for our operations. If we fail to comply with data privacy and personal data protection laws, we could be subject to adverse publicity, government enforcement actions ~~and /~~ or private litigation, which may negatively impact our business and operating results. We receive, process, transmit and store information relating to certain identified or identifiable individuals (" personal data "), including current and former employees, in the ordinary course of business. As a result, we are subject to various U. S. federal and state and foreign laws and regulations relating to personal data. These laws are subject to change, and new personal data legislation may be enacted in other jurisdictions at any time. In the European Union, the General Data Protection Regulation (the " GDPR ") became effective in May 2018 for all member states. The GDPR includes operational requirements for companies receiving or processing personal data of residents of the European Union different from those that were previously in place and also includes significant penalties for noncompliance. ~~Additionally~~ **Other examples of certain requirements we face include those with respect to the Health Insurance Portability Act** , the California Consumer Privacy Act ~~of 2018~~ (the " CCPA "), ~~which was enacted in June 2018~~ **the California Privacy Rights Act, the Colorado Privacy Act,** and ~~came into effect~~ **the Virginia Consumer Data Protection Act. Any such legislation can impose onerous and costly requirements** on ~~January 1~~ **companies. For example** , ~~2020,~~ **the CCPA** provides a ~~new~~ private right of action and statutory damages for certain data breaches and imposes operational requirements on companies that process personal data of California residents, including making ~~new~~ disclosures to consumers, employees and B2B contacts about data collection, processing and sharing practices and allowing consumers to opt out of certain data sharing with third **-** parties ~~. Other states have, or may, adopt similar such requirements and regulations~~ . Changes introduced by the GDPR ~~and~~ **,** the CCPA **, and such other legislation** , as well as other changes to existing personal data protection laws and the introduction of such laws in other jurisdictions, and changes to regulation, industry standards and contractual obligations, subject the Company to, among other things, additional costs and expenses and may require costly changes to our business practices and security systems, policies, procedures and practices. The interpretation and application of these laws and regulations are often uncertain and evolving; as a result, there can be no assurance that our data protection measures will be deemed adequate by a regulator or court. There can be no assurances that our security controls over personal data, training of personnel on data privacy and data security, vendor management processes, and the policies, procedures and practices we implement will prevent the improper processing or breaches of personal data. Data breaches or improper processing, or breaches of personal data in violation of the GDPR, the CCPA ~~and /~~ or of **such** other personal data protection or privacy laws and regulations **in existence today or in the future** , could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions (including fines), and mandatory corrective action, or result in private litigation against us, which may result in potential loss of revenue, increased costs, liability for monetary damages or fines ~~and /~~ or criminal prosecution, thereby ~~negatively impacting~~ **materially adversely affecting** our business ~~and operating~~ **, financial condition,** results **of operations, and cash flows** . If we fail to manage future growth effectively, our business could be materially adversely affected. We have experienced rapid growth and anticipate such growth may continue. During the year ended December 31, ~~2022~~ **2023** , we grew ~~from 225~~ to ~~378~~ **765** employees, and expect to continue expanding our hiring and marketing efforts with no assurance that our business or revenue will continue to grow. This growth may place significant demands on management and our operational infrastructure. As we continue to grow, we must manage such growth effectively by successfully integrating, developing and motivating a large number of new employees, while maintaining the beneficial aspects of our company culture. If we do not manage the growth of our business and operations effectively, the quality of our products and efficiency of our operations could suffer and we may not be able to execute on our business plan, which could harm our brand, **and have a material adverse effect on our business, financial condition,** results of operations **,** and ~~overall business~~ **cash flows** . Accordingly, we cannot guarantee that we will achieve our planned growth, or ~~even if we are able to grow as planned,~~ that we will continue to sustain such growth or performance ~~the globe and an~~ increase in the frequency and severity of natural disasters.Changing weather patterns could result in decreased agricultural productivity in certain regions, **and /** or outbreaks of diseases or other health issues,which may limit availability **and /** or increase the cost of certain ingredients used in our products and could impact the food security of communities around the world.Increased frequency or duration of extreme weather conditions could also impair production capabilities,disrupt our supply chain **and /** or impact demand for our products.Natural disasters and extreme weather conditions,such as hurricanes,wildfires,earthquakes or floods,and outbreaks of diseases (such as the COVID- 19 pandemic) or other health issues may affect our operations and the operation of our supply chain,impact the operations of our distributors and unfavorably impact our consumers' ability to purchase our products.In addition,public expectations for reductions in greenhouse gas emissions could result in increased energy,transportation and raw material costs,and may require us to make additional investments in facilities and equipment.Changes in applicable laws,regulations,standards or practices related to greenhouse gas emissions,packaging and water scarcity, ~~and reporting requirements with respect thereto,~~ as well as initiatives by advocacy groups in favor of certain climate change- related laws,regulations,standards or practices,may result in increased compliance costs,capital expenditures and other financial obligations,which could ~~have a material adverse effect~~ **affect** ~~on~~ our business,financial condition ~~,~~ **and** results of operations ~~,and cash flows~~ .Sales of our products may also be influenced to some extent by weather conditions in the markets in which we operate.Our third- party co- packers use a number of key ingredients in the manufacture of our **liquid supplement** products **and powder packets** that are derived from agricultural commodities.Increased demand for food products and decreased agricultural productivity in certain regions of the world as a result of changing weather patterns and other factors may limit the availability or increase the cost of such agricultural commodities and could impact the food security of communities around the world.Weather conditions ~~,therefore,~~ may influence consumer demand for certain of our ~~products~~ **supplements,which could have** ~~and~~ - **an** ~~otherwise~~ **effect on our operations,either positively or negatively** . We may incur material losses as a result of product ~~recall~~ **recalls , regulatory enforcement actions,** and **/ or** product liability. **Potential contamination that could** ~~We may be liable if the consumption of any of our products causes~~ - **cause foodborne** ~~injury,~~ illness **,** ~~or death. We also may be required to recall some of our products if they~~ - **the** ~~become contaminated~~ **presence of undisclosed major food allergens, and / or other food safety concerns, whether or not caused by** ~~or~~ **our actions** ~~are damaged or mislabeled. A significant product liability judgment against us~~ , ~~or~~ **could lead to** a ~~widespread~~ **voluntary** product recall, **regulatory enforcement action and / or private litigation. This** could have a material adverse effect on our business, financial condition ~~and~~ **,** results of operations **, and cash flows. There are costs associated with undertaking a product recall, which may not be fully covered by our current and / or future insurance policies. If product is recalled and / or inventory of product is destroyed because of a food safety concern, it could also lead to loss of sales due to unavailability of product. Additionally, a recall could decrease future demand for product from existing customers and / or increase difficulty in attracting new customers. If the recall is a result of actions of a third- party co- packer, raw material supplier, or packaging material supplier, it could also result in damage to the relationship with that entity, which could potentially disrupt the supply of product (s) and / or increased costs associated with manufacturing the product (s). There may also be regulatory action from federal, state, or local agencies if a product is deemed to be adulterated and / or misbranded due to contamination, undisclosed major food allergens, or other food safety issues. It could, for example, result in the issuance of a warning letter or another type of enforcement action from the FDA. There could also be state or federal civil and / or criminal penalties associated with selling an adulterated and / or misbranded food product, even if it was done so inadvertently. We may also be liable to consumers if the consumption of any of our products causes injury, illness or death** . The amount of the insurance we carry is limited, and that insurance is subject to certain exclusions and may or may not be adequate **. Accordingly, consumer class action litigation or a significant product liability judgment could cause us to incur material losses. A product recall, regulatory enforcement action and / or litigation could also cause long term reputational damage to the brand and / or Company, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Additionally, product tampering, either on a small or large scale, such as the introduction of foreign material, chemical contaminants or pathogenic organisms into product, could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . We rely on our management team and other key personnel. We depend on the skills, experience, relationships, and continued services of key personnel, including our experienced management team. In addition, our ability to achieve our operating goals also depends on our ability to recruit, train, and retain qualified individuals. We compete with other companies both within and outside of our industry for talented personnel, and we may lose key personnel or fail to attract and retain additional talented personnel. Any such loss or failure could **have a material** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our **business** ~~product sales~~ , financial condition, ~~and operating~~ results **of operations, and cash flows** . In particular, our continued success will depend in part, on our ability to retain the talents and dedication of key employees ~~. Our business may be adversely affected, and our management team may be distracted as a result of new COVID- 19 variants~~ . Furthermore, we may not be able to locate suitable replacements for any of our key employees who leave or be able to offer employment to potential replacements on reasonable terms, all of which could adversely affect our procurement and distribution processes, sales and marketing activities, **and our** financial processes ~~&~~ **, have a material adverse effect on our business, financial** condition ~~and~~ **,** results of operations **, and cash flows. If we fail to attract or maintain a highly skilled and diverse workforce, our business could be negatively affected. Our business requires that we attract, develop, and maintain a highly skilled and diverse workforce. Our employees are highly sought after by our competitors and other companies, and competition for existing and prospective personnel have increased. Our continued ability to compete effectively depends on our ability to attract, retain, develop, and motivate highly skilled personnel for all areas of our organization. Moreover, the broader labor market continues to be impacted by numerous factors, including, but not limited to, wage inflation, labor shortages, increased employee turnover, changes in availability, and a shift toward remote work, which, in turn, has created a shortage of qualified workers, thereby further increasing the competitive landscape of attracting and retaining qualified workers. Consequently, we may not be able to successful attract and maintain a highly skilled and diverse workforce that is necessary to support key capabilities such as e- commerce, social media and digital marketing and advertising, and digital analytics. Changes in immigration laws and policies could also make it more difficult for us to recruit or relocate highly skilled technical, professional, and management personnel to meet our business needs. In addition, the unexpected loss of experienced and highly skilled employees due to an increase in aggressive recruiting for best- in- class talent could deplete our institutional knowledge base and erode our competitiveness. Further, failure to attract, retain, and develop associates from underrepresented communities can damage our business results and our reputation. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . The ~~U. S. Food and Drug Administration (the "~~ FDA ~~")~~ **could take issue with the manufacturer, composition / ingredients, packaging, marketing / labeling, storage, transportation, and / or distribution of our products. The FDA does not pre- approve finished beverage products or the labeling of such products, so it** has not **approved** ~~passed on the efficacy of~~ our ~~products~~ - **product formulations** ~~or the~~

~~accuracy of any claim we make related to our products. Although seven independent clinical studies have been conducted relating to the calorie- burning and related effects of our products, the results of these studies have not been submitted to or reviewed by the FDA. Further, the FDA has not passed on the efficacy of any of our products~~ nor has it reviewed or **approved** ~~passed on~~ any claims we make related to our products ~~, including~~ **. If the FDA or any** ~~the~~ **other governmental authority were to take issue with the** ~~claim~~ **claims we make about our products or other aspects of our product labeling, such as components of our facts panel, or require** that **we change or cease making certain claims or otherwise alter our marketing strategy, we could experience a material adverse effect on our business, financial condition, results of operations, and cash flows. If the FDA or any other governmental authority were to take issue with any of the ingredients used in** our products ~~aid consumers in burning calories~~ **or any of the components of the packaging materials** ~~or for~~ ~~enhancing their metabolism~~ **our products this could also have a material adverse effect on our business, financial condition, results of operations, and cash flows** . ~~The~~ **Any type of** ~~Federal~~ **federal** ~~Trade Commission~~ **, state, or local regulatory enforcement action related to the manufacturer, transportation, storage, and / or distribution of our products, whether taken against us or a third- party, such as a co- manufacturer, could also have a material adverse effect on our business, financial condition, results of operations, and cash flows. This could include, for example, enforcement action taken against one of our third- party co- packers for failing to maintain an appropriate FDA registration or comply with applicable current good manufacturing practice** (~~the~~ “ ~~FTC~~ **CGMP** ”) **requirements. The FTC** regulates advertising and may review the truthfulness of and substantiation for any claim we make related to our products. Our advertising activities are subject to regulation by the FTC under the Federal Trade Commission Act. ~~In recent years, the FTC and state attorneys general have initiated numerous investigations of dietary and nutritional supplement companies and products.~~ Any actions or investigations initiated against the Company by governmental authorities or private litigants could have a material adverse effect on our business, financial condition ~~and~~ **,** results of operations **, and cash flows** . The shifting regulatory environment through the various jurisdictions in which ~~are~~ **our** products are sold necessitates building and maintaining robust systems to achieve and maintain compliance in multiple jurisdictions and increases the possibility that we may violate one or more of the legal requirements. If our operations are found to be in violation of any applicable laws or regulations ~~,~~ we may be subject to, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of our operations, injunctions, or product withdrawals, recalls or seizures, any of which could **have a material adverse effect on our business, financial condition, results of operations, and cash flows. The ongoing Russia- Ukraine conflict and the recent escalation of the Israel- Hamas conflict may adversely impact our business operations and financial performance. U. S. and global markets are experiencing volatility and disruption following the geopolitical instability resulting from the ongoing Russia- Ukraine conflict and the recent escalation of the Israel- Hamas conflict. In response to the ongoing Russia- Ukraine conflict, the North Atlantic Treaty Organization (“ NATO ”) deployed additional military forces to eastern Europe, and the U. S., the United Kingdom, the European Union and other countries have announced various sanctions and restrictive actions against Russia, Belarus and related individuals and entities, including the removal of certain financial institutions from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system. Certain countries, including the U. S., have also provided and may continue to provide military aid or other assistance to Ukraine and to Israel, increasing geopolitical tensions among a number of nations. The invasion of Ukraine by Russia and the escalation of the Israel- Hamas conflict and the resulting measures that have been taken, and could be taken in the future, by NATO, the U. S., the United Kingdom, the European Union, Israel and its neighboring states and other countries have created global security concerns that could have a lasting impact on regional and global economies. Although the length and impact of the ongoing conflicts are highly unpredictable, they could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions and increased cyber- attacks against U. S. companies. Additionally, any resulting sanctions could** adversely affect ~~our~~ **the global economy and financial markets and lead to** ~~ability~~ **instability** ~~to operate~~ **and lack of liquidity in capital markets. These ongoing conflicts and the resulting geopolitical instability could have a material adverse effect on** our business, ~~our~~ financial condition ~~and~~ **,** results of operations **, and cash flows** . Risk Factors Relating to Our Industry We are subject to significant competition **by other companies** in the functional **beverage product** ~~energy drink and supplement industries~~ **industry** . The functional **beverage product** ~~energy drink and supplement industries~~ **industry** ~~are~~ **is** highly competitive. The principal areas of competition are pricing, packaging, distribution channel penetration, development of new products and flavors and marketing campaigns. Our products compete with a wide range of ~~drinks~~ **beverages** produced by a relatively large number of manufacturers, ~~most~~ **many** of which have substantially greater financial, marketing and distribution resources and name recognition than we do. Important factors affecting our ability to compete successfully include the taste and flavor of our products, trade and consumer promotions, rapid and effective development of new, unique cutting- edge products, attractive and different packaging, branded product advertising and pricing. Our products compete with all liquid refreshments and with products of much larger and substantially better financed competitors, including the products of numerous nationally and internationally known producers, such as **Monster Beverage Corporation, Red Bull GmbH,** The Coca **-** Cola Company, **Pepsi, Keurig** Dr ~~.~~ Pepper ~~Snapple Group~~ **Inc.** , Nestlé **S** ~~, Waters North America, Inc~~ . **A** ~~, Hansen Natural Corp~~ ., ~~Vital Pharmaceuticals~~ **BlueTriton Brands** , ~~Inc.~~ **Starbucks Corporation** , ~~Monster Energy~~ and ~~Red Bull~~ **Congo Brands** . We also compete with companies that are smaller or primarily local in operation. Our products also compete with private label brands such as those carried by supermarket chains, convenience store chains, drug store chains, mass merchants and club warehouses. New competitors continue to emerge, some of which target specific markets of ours as well as the health and wellness space. This may require additional marketing expenditures on our part to remain competitive. The rapid growth in sales through e- commerce retailers, e- commerce websites, mobile commerce applications and subscription services, may result in a shift away from physical retail operations to digital channels and a reduction in impulse purchases. Further, the ability of consumers to compare prices on a real- time basis using digital technology puts additional pressure on us to maintain competitive prices. Sales in gas chains may also be affected by improvements in fuel efficiency and increased consumer preferences for electric or alternative fuel- powered vehicles, which may result in fewer trips by consumers to gas stations and a corresponding reduction in purchases by consumers in convenience gas retailers. We have been growing our e- commerce sales by using Amazon and leveraging our retail partners e- commerce platforms, rather than building our own internal platform. However, if we are unable to successfully adapt to the rapidly changing retail landscape, our share of sales, volume growth and overall financial results could be negatively affected. Due to competition in the functional **beverage product** ~~energy drink and supplement industries~~ **industry** , ~~there can be no assurance that~~ we **may** ~~will not~~ encounter difficulties in maintaining our current revenues, market share or position in the functional **beverage product** ~~energy drink and supplement industries~~ **industry** ~~. If our revenues decline~~ , **any of which could have a material adverse effect on** our business, financial condition ~~and~~ **,** results of operations ~~could be adversely affected~~ **, and cash flows** . Our inability to innovate successfully and to provide new cutting- edge products could adversely affect our business and financial results. Our ability to compete in the highly competitive functional **beverage product** ~~energy drink and supplement industries~~ **industry** and to achieve our business growth objectives depends, in part, on our ability to develop new flavors, products and packaging. The success of our innovation, in turn, depends on our ability to identify consumer trends and cater to consumer preferences. If we are not successful in our innovation activities, **we could have a material adverse effect on** our business, financial condition ~~and~~ **,** results of ~~operation~~ **operations** ~~could be adversely affected~~ **, and cash flows** . Changes in consumer product and shopping preferences may reduce demand for some of our products. The functional **beverage product** ~~energy drink and supplement categories~~ **category** ~~are~~ **is** subject to changing consumer preferences and shifts in consumer preferences may adversely affect us. There is increasing awareness of and concern for health, wellness and nutrition considerations, including concerns regarding caloric intake associated with sugar- sweetened drinks and the perceived undesirability of artificial ingredients. ~~Our products do not contain the artificial preservatives often found in many energy drinks and sodas.~~ CELSIUS ® has no aspartame or high fructose corn syrup and is very low in sodium. The main CELSIUS ® line of products are sweetened with sucralose, a sugar-derived sweetener that is found in Splenda ®, which makes ~~our liquid supplements~~ **these functional beverage products** low-calorie. However, consumer preferences may shift away from the trend towards healthier options that we have observed, and as such, there can be no assurance that our current products and product lines will maintain their current levels of demand. There are also changes in demand for different packages, sizes and configurations. This may reduce demand for our functional **beverage products** ~~energy drinks and liquid supplements~~ , which could reduce our revenues and adversely affect our results of operations. Consumers are seeking greater variety in their functional **beverage products** ~~energy drinks and supplements~~ . Our future success will depend, in part, upon our continued ability to develop and introduce different and innovative ~~drinks and supplements~~ **functional beverage products** that appeal to consumers. In order to retain and expand our market share, we must continue to develop and introduce different and innovative ~~supplements~~ **products** and be competitive in the areas of efficacy, taste, quality and price, although there can be no assurance of our ability to do so. There is no assurance that consumers will continue to purchase our products in the future. Product lifecycles for some functional **beverage** ~~energy drink and supplement~~ brands, products ~~and /~~ or packages may be limited to a few years before consumers' preferences change. The functional **beverage products that** ~~energy drink and supplements~~ we currently market are in varying stages of their product lifecycles, and there can be no assurance that such products will become or remain profitable for us. We may be unable to achieve volume growth through product and packaging initiatives. We may also be unable to penetrate new markets. Additionally, as shopping patterns are being affected by the digital evolution, with consumers embracing shopping by way of mobile device applications, e- commerce retailers and e- commerce websites or platforms, we may be unable to address or anticipate changes in consumer shopping preferences or engage with our consumers on their preferred platforms. If our revenues decline, our business, financial condition ~~and~~ **,** results of operations **, and cash flows** could be adversely affected. We derive virtually all of our revenues from functional **beverage products** ~~energy drinks and supplements~~ , and competitive pressure in the functional **beverage product** ~~energy drink and supplement~~ category could adversely affect our business and operating results. Our focus is ~~in~~ **on** the functional **beverage product** ~~energy drink and supplement categories~~ **category** , and our business is vulnerable to adverse changes impacting **this** ~~the fitness supplement~~ category and business, which could adversely impact our business and the trading price of our common stock. Virtually all of our sales are derived from our functional **beverage products** ~~energy drink and supplements~~ , including our CELSIUS ® Originals and Vibe, CELSIUS **® ESSENTIALS** ~~HEAT, CELSIUS BCCA ENERGY~~ , CELSIUS ® On- the- Go and CELSIUS ® product lines. Any decrease in the sales of our functional **beverage products** ~~energy drinks and supplements~~ could significantly adversely affect our future revenues and net income. Historically, we have experienced substantial competition from new entrants in the functional **beverage** ~~energy drink and supplement categories~~ **category** . The increasing number of competitive products and limited amount of shelf space, including in coolers, in retail stores may adversely impact our ability to gain or maintain our share of sales in the marketplace. In addition, certain actions of our competitors, including unsubstantiated ~~and /~~ or misleading claims, false advertising claims and tortious interference in our business, as well as competitors selling misbranded products, could impact our sales. Competitive pressures in the functional ~~energy drink and~~ **beverage category as well as competition from the** supplement ~~categories~~ **category** could impact our revenues, cause price erosion ~~and /~~ or lower market share, any of which could have a material adverse effect on our business ~~and~~ **, financial condition,** results of operations **, and cash flows** . We compete in an industry that is brand- conscious, so brand name recognition and acceptance of our products are critical to our success and significant marketing and advertising could be needed to achieve and sustain brand recognition. ~~Our business is substantially dependent upon awareness and market acceptance of our products and brands by our targeted consumers. Our business depends on acceptance by our independent distributors of our brand as one that has the potential to provide incremental sales growth rather than reduce distributors' existing beverage sales. The development of brand awareness and market acceptance is likely to require significant marketing and advertising~~

~~expenditures. There can be no assurance that CELSIUS ® will achieve and maintain satisfactory levels of acceptance by independent distributors and retail consumers. Any failure of the CELSIUS ® brand to maintain or increase acceptance or market penetration would likely have a material adverse effect on business, financial condition and results of operations. If we are unable to successfully manage new product launches, our business and financial results could be adversely affected.~~ Due to the highly competitive nature of the global functional **beverage product** ~~energy drink and supplement sectors~~ - **sector** , we expect and intend to continue to introduce new products and evolve existing products to better match consumer demand. The success of new and evolved products depends on a number of factors, including timely and successful development and consumer acceptance. Such endeavors may also involve significant risks and uncertainties, including distraction of management from current operations, greater than expected liabilities and expenses, inadequate return on capital, exposure to additional regulations and reliance on the performance of third **-** parties **, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. If we are unable to successfully manage new product launches, our business and financial results could be adversely affected** . Our sales are affected by seasonality. As is typical in the ~~" alternative"~~ **non- alcoholic** beverage category, our sales are seasonal ~~, albeit with our recent significant growth, we have seen ongoing quarter over quarter growth regardless of the season~~ . Our highest sales volumes generally occur in the second and third quarters, which correspond to the warmer months of the year in our major markets. Consumer demand for our products is also affected by weather conditions. Cool, wet spring or summer weather could result in decreased sales of our products and could have ~~an~~ **a material** adverse effect on our **business, financial condition,** results of operations **, and cash flows** . ~~Our~~ **Changes in government regulation, or failure to comply with existing regulation concerning energy drinks, could adversely affect our** business ~~is subject to many regulations~~ and **financial performance** ~~noncompliance is costly~~ . The production, marketing and sale of our functional **beverage products** ~~energy drinks and supplements~~ are subject to the rules and regulations of various federal, state and local ~~health~~ **regulatory** agencies. The marketing and sale of our products internationally is similarly subject to compliance with applicable laws, rules and regulations in those foreign countries where our products are sold **. Legislation has been proposed and adopted at the U. S. federal, state and municipal level as well as in certain foreign jurisdictions to restrict the sale of energy drinks (including prohibiting the sale of energy drinks at certain establishments or pursuant to certain governmental programs), limit the content of caffeine and other ingredients in beverages, require certain product labeling disclosures and warnings, impose excise taxes, limit product size, or impose age restrictions for the sale of energy drinks. There is also a patchwork of state restrictions with respect to food packaging materials** . If a regulatory authority finds that a current or future product or production run is not in compliance with any of these regulations, we may be fined, or production may be stopped, thus adversely affecting our business, financial condition and results of operations. Similarly, any adverse publicity associated with any noncompliance may damage our reputation and our ability to successfully market our products. Furthermore, the rules and regulations are subject to change from time to time and **can vary from state- to- state.** ~~while~~ **While** we closely monitor developments in this area, we have no way of anticipating whether changes in these rules and regulations will impact our business adversely. Additional or revised regulatory requirements, whether labeling, environmental, tax or otherwise, could have ~~an~~ **a material** adverse effect on our business, financial condition ~~and~~ **,** results of operations **, and cash flows. Public health officials and health advocates remain focused on the public health consequences associated with obesity, especially as it affects children, and are seeking legislative change to reduce the consumption of sweetened beverages. There are also public health concerns regarding caffeine and other ingredients present in energy drinks. To the extent any such legislation is enacted in one or more jurisdictions where a significant amount of our products are sold, individually or in the aggregate, it could result in a reduction in demand for, or availability of, our products, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . Product safety and quality concerns, or other negative publicity (whether or not warranted) could damage our brand image and corporate reputation and may cause our business to suffer. Our success depends in large part on our ability to maintain consumer confidence in the safety and quality of all of our products. We have rigorous product safety and quality standards, which we expect our operations as well as our suppliers to meet. However, despite our strong commitment to product safety and quality, we or our suppliers may not always meet these standards, particularly as we expand our product offerings through innovation or acquisitions into product categories that are beyond our traditional range of functional **beverage products** ~~energy drinks and supplements~~ . If we or our suppliers fail to comply with applicable product safety and quality standards, or if our ~~supplement~~ **functional beverage** products taken to the market are or become contaminated or **otherwise** adulterated by any means, we may be required to conduct costly product recalls and may become subject to product liability claims and negative publicity, which could ~~cause~~ **have a material adverse effect on** our business ~~to suffer~~ **, financial condition, results of operations, and cash flows** . Our success also depends on our ability to build and maintain the brand image for our existing products, new products and brand extensions and maintain our corporate reputation **(see — " We compete in an industry that is brand- conscious, so brand name recognition and acceptance of our products are critical to our success and significant marketing and advertising could be needed to achieve and sustain brand recognition, " above)** . There can be no assurance that our advertising, marketing and promotional programs and our commitment to product safety and quality, human rights and environmental sustainability will have the desired impact on our products' brand image and on consumer preferences and demand. Claims regarding product safety, quality ~~and /~~ or ingredient content issues ~~, efficacy or lack thereof (real or imagined)~~ , our culture and our workforce, our environmental impact and the sustainability of our operations, or allegations of product contamination, even if false or unfounded, could tarnish the image of our brands and may cause consumers to choose other products. Consumer demand for our products could diminish significantly if we, our employees, distributors, suppliers or business partners fail to preserve the quality of our products, act or are perceived to act in an unethical, illegal, discriminatory, unequal or socially irresponsible manner, including with respect to the sourcing, content or sale of our products, service and treatment of our customers, or the use of customer data. Furthermore, our brand image or perceived product quality could be adversely affected by litigation, unfavorable reports in the media (internet or elsewhere), studies in general and regulatory or other governmental inquiries (in each case whether involving our products or those of our competitors) and proposed or new legislation affecting our industry. Negative postings or comments on social media or networking websites about the Company or any one of our brands, even if inaccurate or malicious, could generate adverse publicity that could damage the reputation of our brands or the Company. Business incidents, whether isolated or recurring and whether originating from us, our **co- packers,** distributors, suppliers or business partners, that erode consumer trust can significantly reduce brand value or potentially trigger boycotts of our products and can have a negative impact on consumer demand for our products as well as our reputation and financial results. The impact of such incidents may be exacerbated if they receive considerable publicity, including rapidly through social or digital media (including for malicious reasons) or result in litigation. In addition, from time to time, there are public policy endeavors that are either directly related to our products and packaging or to our business. These public policy debates can occasionally be the subject of backlash from advocacy groups that have a differing point of view and could result in adverse media and consumer reaction, including product boycotts. Similarly, our sponsorship relationships could subject us to negative publicity as a result of actual or alleged misconduct by individuals or entities associated with organizations we sponsor or support. Likewise, campaigns by activists connecting us, or our supply chain, with human and workplace rights, environmental or animal rights issues could adversely impact our corporate image and reputation. Allegations, even if untrue, that we are not respecting the human rights found in the United Nations Universal Declaration of Human Rights; actual or perceived failure by our suppliers or other business partners to comply with applicable labor and workplace rights laws, including child labor laws, or their actual or perceived abuse or misuse of migrant workers; adverse publicity surrounding obesity and health concerns related to our products, our environmental impact and the sustainability of our operations, labor relations, our culture and our workforce or the like could negatively affect our Company' s overall reputation and brand image, which in turn could have a negative impact on our products' acceptance by consumers **, and a material adverse effect on our business, financial condition, results of operations, and cash flows. Failure by suppliers or third- party co- packers to comply with applicable laws and regulations, or with specifications and other requirements for our products, may adversely impact our business. We rely on our raw material suppliers and third- party co- packers for compliance with applicable legal and regulatory requirements. If our raw material suppliers or third- party co- packers fail to comply with applicable federal, state, and local requirements it could materially adversely impact our business. For example, failure of our third- party co- packers to comply with applicable CGMP requirements could necessitate a product recall, cause us to be subject to regulatory enforcement action, or lead to private litigation against us. We also rely on our third- party co- packers to provide us with products that comply with our specifications and other applicable requirements. If they fail to do so, or if our raw material suppliers fail to supply us with material that complies with applicable specifications, it could lead to supply chain disruptions, damage to our reputation, or otherwise materially adversely impact our business. It could also result in the inability of the third- party co- packers to continue to manufacturer product for us or inability of the raw material suppliers to continue to supply product to us, which could result in disruption or increased cost of product. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . Litigation could expose us to significant liabilities and reduce demand for our products. We have been and are a party, from time to time, to various litigation ~~claims~~ and **other** legal proceedings, including, but not limited to, intellectual property, false advertising, product liability, **and** breach of contract claims ~~and others~~ . ~~Other lawsuits~~ **Lawsuits** have been filed against us claiming that certain statements made in our advertisements ~~and /~~ or on the labels of our products were false ~~and /~~ or misleading or otherwise not in compliance with ~~food standards under local law~~ **applicable state and / or federal regulatory requirements** . ~~Putative class~~ **Class** action lawsuits have ~~also~~ been filed against us, alleging that certain claims in our marketing promotional **materials** amount to false advertising. We do not believe any statements made by us in our promotional materials or set forth on our product labels are false or misleading or ~~noncompliant~~ **otherwise not in compliance** with ~~local law~~ **applicable state or federal legal and regulatory requirements** , and we have been defending, and will continue to vigorously defend such lawsuits. At times, even if the Company believes that it is acting in compliance with the **applicable** ~~law~~ **laws and regulations** , management may choose to settle claims in order to avoid lengthy ~~trials~~ **litigation and associated expenses and /** or disruptions to its business. Any of the foregoing matters or other litigation, the threat thereof, or unfavorable media attention arising from pending or threatened litigation could consume significant financial and managerial resources and result in diminished operational efficiency of the Company, significant monetary awards against us, an injunction barring the sale of any of our products and injury to our reputation. Our failure to successfully defend or settle any litigation or legal proceedings could result in liabilities that, to the extent not covered by our insurance, could have a material adverse effect on our **business,** financial condition, **results** ~~revenue and profitability, and could cause the market value~~ of ~~our common stock to decline~~ **operations, and cash flows** . If we **fail to remediate our existing material weaknesses or** do not maintain an effective internal control environment as well as adequate control procedures over our financial reporting, investor confidence may be adversely affected thereby affecting the value of our stock price. ~~The Company has identified material weaknesses in its internal control over financial reporting that, if not remediated, could result in additional material misstatements in its consolidated financial statements.~~ We are required to maintain proper internal control over our financial reporting and adequate controls related to our disclosures. As defined in Rule 13a- 15 (f) under the Exchange Act, internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officers and effected by the ~~board~~ **Board** ~~of directors~~ , management and other personnel, 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. If we fail to maintain adequate controls, our business, the results of operations, financial condition ~~and /~~ or the value of our stock may be adversely impacted. As described in Part II, Item 9A ~~—~~ **.** Controls and Procedures, management identified material weaknesses in the Company ~~'~~**'**s internal control over financial reporting **(" ICFR")** in 2021 ~~and~~ **,** 2022 **and 2023** . A material weakness is a deficiency, or a combination of deficiencies, in **ICFR** ~~internal control over financial reporting~~ , such that there is a reasonable possibility that a material misstatement of the Company ~~'~~ **'** s annual or interim financial statements will not be prevented or detected on a timely basis. **We reported that a material weakness in ICFR continues to exist as of December 31, 2023, as a result of the ineffective design of certain controls.** The Company is in the process of remediating the material ~~weaknesses~~ -- **weakness, but there can be no assurances that those efforts will be successful** . If the Company' s remediation efforts are insufficient or if additional material weaknesses in **ICFR** ~~internal control over financial reporting~~ are discovered or occur in the future, **or if** the Company ~~'~~ **fails to establish and maintain an effective control environment or ICFR, the Company'** s consolidated financial statements may contain material misstatements and it could be required to revise or restate its financial results, which could materially and adversely affect the Company' s business, results of operations and financial condition, restrict its ability to access the capital markets, require it to expend significant resources to correct the material weakness, subject it to fines, penalties or judgments, harm its reputation or otherwise cause a decline in investor confidence **, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . We **currently** face **an** investigation from the SEC, the timeline for which and the results of which are currently unknown. On January 8, 2021, we received a letter from the SEC Division of Enforcement seeking the production of documents in connection with a non- public fact- finding inquiry by the SEC to determine whether violations of the federal securities laws have occurred. **We have subsequently received** ~~On August 20, 2021, the SEC issued a subpoena~~ **subpoenas** for **the** production of documents in connection with ~~the~~ **this** matter. ~~Neither~~ **The investigation and requests from** the ~~January 8, 2021~~ SEC **do not represent** ~~letter nor the August 20, 2021 subpoena means~~ that the SEC has concluded that the Company or anyone else has violated the federal securities laws. We have cooperated and will continue to cooperate with the SEC staff in its investigation **and requests** . At this time, however, we cannot predict the length, scope, or results of the investigation or the impact, if any, of the investigation on our results of operations. We may also be subject to further or other examinations, investigations, proceedings and orders by the SEC or other regulators. Any such further or other actions could be expensive ~~and~~ **,** damaging to our **brand, and could have a material adverse effect on our** business, ~~results of operations and~~ financial condition **, results of operations, and cash flows. Strikes or work stoppages or labor unrest can cause our business to suffer. Some employees of our third- party business partners that are involved in the manufacturing, production, or distribution of our products are covered by collective bargaining agreements, and other such employees may seek to be covered by collective bargaining agreements. Strikes or work stoppages or other business interruptions may occur if the third parties that are involved in the manufacturing, production and distribution of our products are unable to renew, or enter into new, collective bargaining agreements on satisfactory terms, which, in turn, can impair the manufacturing and distribution of our products, interrupt product supply, lead to a loss of sales, increase our costs, or otherwise affect our ability to fully implement future operational changes to enhance our efficiency or to adapt to changing business needs or strategy, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows** . Risk Factors Related to Financial Risks Fluctuations in our effective tax rate could adversely affect our financial condition and results of operations. We are subject to income and other taxes in both the U. S. and certain foreign jurisdictions. Therefore, we are subject to audits for multiple tax years in various jurisdictions at once. Our ~~2019~~ **2020** through ~~2021~~ **2022** U. S. federal income tax returns are subject to examination by the IRS. Our state **and local** income tax returns are subject to examination for the ~~2018~~ **2019** through ~~2021~~ **2022** tax years. At any given time, events may occur which change our expectation about how any such tax audits will be resolved and thus, there could be significant variability in our quarterly ~~and /~~ or annual tax rates, because these events may change our plans for uncertain tax positions. Changes in U. S. tax laws as a result of any legislation proposed by ~~the new~~ U. S. ~~Presidential Administration or U. S.~~ Congress ~~, which may include efforts to change or repeal the 2017 Tax Cuts and Jobs Act and the federal corporate income tax rate reduction,~~ could adversely affect our provision for income taxes, resulting in an adverse impact on our financial condition or results of operations. In addition, changes in the manner in which U. S. multinational corporations are taxed on foreign earnings, including changes in how existing tax laws are interpreted or enforced, could adversely affect our financial condition or results of operations. For example, the Organization for Economic Cooperation and Development (" OECD ") has recommended changes to numerous long- standing international tax principles through its base erosion and profit shifting (" BEPS ") project. These changes, to the extent adopted, may increase tax uncertainty, result in higher compliance costs and adversely affect our provision for income taxes, results of operations ~~and /~~ or cash flow. In connection with the OECD' s BEPS project, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in various countries. Economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, may make resolving tax disputes more difficult and the final resolution of tax audits and any related litigation could differ from our historical provisions and accruals, ~~resulting in an~~ **could have a material** adverse ~~impact~~ **effect** on our **business,** financial condition ~~or~~ **,** results of operations **, and cash flows** . We may be required in the future to record a significant charge to earnings if our goodwill or intangible assets become impaired. Under ~~United States~~ **U. S.** Generally Accepted Accounting Principles (" U. S. GAAP "), we are required to review our **goodwill and indefinite- lived** intangible assets for impairment ~~when~~ **annually, and more frequently if** events or changes in circumstances indicate the carrying value may not be recoverable. Factors ~~that may be considered a change~~ **potentially affecting our estimated fair values, used** in **comparison with** ~~circumstances indicating that the~~ carrying ~~value~~ **values , include but are** ~~of our intangible assets may~~ not **limited to** ~~be recoverable include~~ , declining or slower than anticipated growth rates for certain of our existing products, a decline in stock price and market capitalization, **reduced operating cash flows, changes in the business climate or competitive environment,** and slower growth rates in our industry **. An impairment charge, if required, would decrease the carrying value to that of our estimated fair value, on our consolidated balance sheet and impact earnings. Finite- lived assets are reviewed for impairment whenever events or**

changes in circumstances suggest that their carrying value may not be fully recoverable and are subject to amortization over their useful lives. We may be required in the future to record a significant charge to earnings during the period in which we determine that our intangible assets have been impaired. Any such charge would adversely impact our results of operations. As of December 31, ~~2022~~ **2023**, our goodwill totaled approximately $ ~~13~~ **14**. ~~7~~ **2** million and **net** intangible assets totaled approximately $ 12. ~~3~~ **1** million. Fluctuations in foreign currency exchange rates may adversely affect our operating results. We are exposed to foreign currency exchange rate risk with respect to our sales, expenses, profits, assets and liabilities denominated in currencies other than the U. S. dollar **and we expect that such risk exposure will increase as we continue to expand our international operations**. As a result, our reported earnings may be affected by changes in foreign currency exchange rates. ~~Moreover, any favorable impacts to profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time.~~ For the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~, ~~aggregate~~ **net** foreign currency ~~transaction~~ - **translation gain** (~~losses~~ -- **loss**) ~~gains,~~ resulted in **a gain of $ 1. 2 million,** a loss of $ 2. 5 million ~~,~~ and **a** ~~gains~~ - **gain** of $ 0. 8 million ~~and $ 0. 6 million~~, respectively. Potential changes in accounting standards or practices ~~and /~~ or taxation may adversely affect our financial results. We cannot predict the impact that future changes in accounting standards or practices may have on our financial results. New accounting standards could be issued that change the way we record revenues, expenses, assets and liabilities. These changes in accounting standards could adversely affect our reported earnings. Increases in direct and indirect income tax rates could affect after- tax income. Equally, increases in indirect taxes (including environmental taxes pertaining to the disposal of beverage containers ~~and /~~ or indirect taxes on beverages generally or energy drinks in particular) could affect our products' affordability and reduce our sales ~~. If we fail to maintain effective disclosure controls and procedures and internal control over financial reporting on a consolidated basis, our stock price and investor confidence in the Company could be materially and adversely affected. We are required to maintain both disclosure controls and procedures as well as internal control over financial reporting that are effective for the purposes described in " Part II, Item 9A – Controls and Procedures. " If we fail to maintain such controls and procedures, our business, results of operations, financial condition and / or the value of our stock could be materially harmed~~. Uncertainty in the financial markets and other adverse changes in general economic or political conditions in any of the major countries in which we do business could adversely affect our industry, business and results of operations. Global economic uncertainties, including highly inflationary economies and foreign currency exchange rates, affect businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. There can be no assurance that economic improvements will occur, or that they would be sustainable, or that they would enhance conditions in markets relevant to us. In addition, we cannot predict the duration and severity of disruptions in any of our markets or the impact they may have on our customers or business, as our expansion outside of the ~~United States~~ **U. S.** has increased our exposure to any developments or crises in African, Asian, European and other international markets. Unfavorable economic conditions and financial uncertainties in our major international markets and unstable political conditions, including civil unrest and governmental changes, in certain of our other international markets could undermine global consumer confidence and reduce consumers' purchasing power, thereby reducing demand for our products **, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows**. **Our investments** ~~Included in the foregoing~~ are ~~long- term uncertainties surrounding~~ **subject to risks which may cause losses and affect the liquidity of** ~~the~~ **these** ~~United Kingdom' s withdrawal from~~ **investments. On December 31, 2023, we had $ 756. 0 million in cash and cash equivalents. Certain of** ~~the~~ **these** ~~European Union~~ **investments are subject to general credit, liquidity, market and interest rate risks. These risks associated with our investment portfolio may have a material adverse effect** on ~~January 31, 2020 (commonly referred to as " Brexit ") and any resulting increases in tariffs, importation restrictions, out of stocks, volatility in currency exchange rates, including the valuation of the euro and the British pound in particular, changes in the laws and regulations applied in the United Kingdom or~~ **our** ~~impacts on economic~~ **future results of operations, liquidity** and **financial condition. Risk Factors Related to our Common Stock The** market **price** ~~conditions in the United Kingdom, the European Union~~ and **trading volume** ~~its member states and elsewhere. Volatility~~ of **our common** stock ~~price~~ **has been, and** may ~~restrict sale opportunities~~ **continue to be, volatile and could decline significantly**. Our stock price is affected by a number of factors, including stockholder expectations, financial results, the introduction of new products by us and our competitors, general economic and market conditions such as inflation, estimates and projections by the investment community and public comments by other parties as well as many other factors including litigation, many of which are beyond our control. We do not provide guidance on our future performance, including, but not limited to, our revenues, margins, product mix, operating expenses or net income. We may be unable to achieve analysts' net revenue ~~and /~~ or earnings forecasts, which are based on their own projected revenues, sales volumes and sales mix of many product types ~~and /~~ or new products, certain of which are more profitable than others, as well as their own estimates of gross margin and operating expenses. There can be no assurance that we will achieve any such projected levels or mix of product sales, revenues, gross margins, operating profits ~~and /~~ or net income. As a result, our stock price is subject to significant volatility, and stockholders may not be able to sell our stock at attractive prices. In addition, periods of volatility in the market price of our stock could result in the initiation of securities class action litigation against us. During the fiscal year ended December 31, ~~2022~~ **2023**, the high of our stock price was $ ~~122~~ **68**. ~~24~~ **42** and the low was $ ~~38~~ **27**. ~~31~~ **21, adjusted for the Forward Stock Split, that occurred within the year**. Our ~~investments are subject to risks which may cause losses and affect the liquidity of these investments. On December 31, 2022, we had $ 652. 9 million in cash and cash equivalents. Certain of these investments are subject to general credit, liquidity, market and interest rate risks. These risks associated with our investment portfolio may have an adverse effect on our future results of operations, liquidity and financial condition. Risk Factors Related to our Common Stock We cannot guarantee the continued existence of an active established public trading market for our common stock. Our common stock currently is listed for trading on the Nasdaq Capital Market. Trading in stock quoted on the Nasdaq Capital Market may often experience wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business~~

~~prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Market prices for our common stock may also be influenced by a number of other factors, including: • the issuance of new equity securities pursuant to a public or private offering; • changes in interest rates; • competitive developments, including announcements by competitors of new products or services or significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments; • variations in quarterly operating results; • change in financial estimates by securities analysts; • the depth and liquidity of the market for our common stock; • investor perceptions of CELSIUS ® and the functional energy drink and supplement industries generally; and • general economic and other national conditions. Our board~~ **Board** ~~of directors~~ has the authority, without stockholder approval, to issue preferred stock with terms that may not be beneficial to common stockholders and with the ability to affect adversely stockholder voting power and perpetuate ~~their~~ control ~~over us~~. We have outstanding shares of preferred stock with rights and preferences superior to those of our common stock. Our Articles of Incorporation allows our ~~board~~ **Board** ~~of directors~~ to issue shares of preferred stock without any vote or further action by our stockholders. Our ~~board~~ **Board** ~~of directors~~ has the authority to fix and determine the relative rights and preferences of preferred stock. As a result, our ~~board~~ **Board** ~~of directors~~ could authorize the issuance of a series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock. On August 1, 2022, the Company filed ~~the~~ **a** Series A Certificate with the Secretary of the State of Nevada (the " Series A Certificate "). The Series A Certificate authorizes 1, 466, 666 shares of Series A Preferred Stock ~~(the " Series A Preferred Stock ")~~, all of which were issued and sold to Pepsi, and ~~are~~ **were** initially convertible at the rate of five shares of the Company' s common stock, par value $ 0. 001 per share, for each share of Series A Preferred Stock **(now fifteen shares of the Company' s common stock for each share of Series A Preferred Stock in connection with the Forward Stock Split)**. The Series A Preferred Stock ranks, with respect to distribution rights and rights on liquidation, winding- up and dissolution, (i) senior and in priority of payment to the Company' s common stock, (ii) on parity with any class or series of capital stock of the Company expressly designated as ranking on parity with the Series A Preferred Stock, and (iii) junior to any class or series of capital stock of the Company expressly designated as ranking senior to the Series A Preferred Stock. Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company (but excluding any change of control), each holder of Series A Preferred Stock will be entitled to receive an amount per share of Series A Preferred Stock equal to the Liquidation Preference, as defined in the Series A Certificate. Holders of shares of Series A Preferred Stock will be entitled to cumulative dividends, which will be payable quarterly in arrears either in cash, in- kind, or a combination thereof. Dividends will accrue on each share of Series A Preferred Stock at the rate of 5. 00 % per annum, subject to adjustment as set forth in the Series A Certificate. In addition to such quarterly regular dividends, such shares of Series A Preferred Stock are entitled to participate in dividends paid to holders of common stock. ~~Our principal~~ **Certain of our affiliated** stockholders can exert significant influence on the Company' s corporate affairs. ~~Our principal~~ **Certain of our affiliated** ~~stockholder~~ **stockholders** ~~owns~~ **own** approximately ~~24~~ **23** % of our issued and outstanding common stock. Accordingly, they will be able to effectively influence the election of directors, as well as all other matters requiring stockholder approval. The interests of **such** ~~our principal~~ stockholders may differ from the interests of other stockholders with respect to the issuance of shares, business transactions with or sales to other companies, selection of other directors and other business decisions. We do not expect to pay cash dividends on our common stock in the foreseeable future. We have never paid cash dividends on our common stock. We do not expect to pay cash dividends on our common stock at any time in the foreseeable future. The future payment of dividends **on our common stock** directly depends upon our future earnings, capital requirements, financial requirements and other factors that our ~~board~~ **Board** ~~of directors~~ will consider. Since we do not anticipate paying cash dividends on our common stock, return on your investment, if any, will depend solely on an increase, if any, in the market value of our common stock. ~~General Risk Factors We are subject to the periodic reporting requirements of the Exchange Act that require us to incur audit fees and legal fees in connection with the preparation of such reports. These additional costs could reduce or eliminate our ability to earn a profit. We are subject to the periodic reporting requirements of the Exchange Act and as a result, we are now required to file periodic reports with the Securities and Exchange Commission (the " SEC ") pursuant to the Exchange Act and the rules and regulations promulgated thereunder. In order to comply with these requirements, our independent registered public accounting firm has to review our financial statements on a quarterly basis and audit our financial statements on an annual basis. Moreover, our legal counsel has to review and assist in the preparation of such reports. The costs charged by these professionals for such services cannot be accurately predicted at this time because factors such as the number and type of transactions that we engage in and the complexity of our reports cannot be determined at this time and will have a major effect on the amount of time to be spent by our auditors and attorneys. However, the incurrence of such costs will obviously be an expense to our operations and thus have a negative effect on our ability to meet our overhead requirements and earn a profit. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock, if a market ever develops, could drop significantly. Our periodic filings as required under the Exchange Act may be subject to review and comment by the SEC, which may result in changes to our public disclosure. Our periodic filings with the SEC in compliance with the reporting requirements of the Exchange Act, may be subject to review and comment by the SEC. Should the SEC conduct such review and comment, we may be required to revise such periodic filings, including but not limited to the financial statements contained therein.~~