

## Risk Factors Comparison 2025-03-03 to 2024-02-29 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 statements and related notes thereto, you should carefully consider the following risks. The occurrence of any of the events discussed below could significantly and adversely affect our business, prospects, results of operations, financial condition, and cash flows. Risk Factors **Relating-Related** to Our Business We rely on distributors to distribute our products in the DSD sales channel and in international markets. If we are unable to maintain good relationships with our existing distributors, our business will 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. During August 2022 we entered into an 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** **During** 2024, we entered into ~~an~~ exclusive distribution ~~agreement~~ **agreements** with **Suntory and its affiliated entities ("Suntory Group")**. **These agreements include** 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 ; **Frucor Suntory Australia Pty Limited and Frucor Suntory New Zealand Limited for Australia and New Zealand, respectively; and Orangina Schweppes France and Schweppes Suntory Benelux SA for France, Monaco, Belgium, Luxembourg, and the Netherlands**. We are substantially reliant on each of these multiyear arrangements **and their respective counterparties** for ~~our~~ **the** distribution **of our products** in the ~~respective~~ **applicable** territories. We anticipate that we will extend these 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 and promote our products with greater or similar focus in preference to the products of our competitors, **then** we may not have any meaningful recourse or be able to replace such distributors in a timely manner, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. **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 2024, sales to Pepsi constituted 54.7 % of our total net revenue, and receivables from Pepsi represented 62.2 % of our total receivables as of December 31, 2024. Pepsi is our primary distribution supplier for our products in the U. S. and the exclusive distributor of our products in select territories in Canada. As a result, we have reduced our distributor diversification and are dependent on Pepsi's domestic and Canadian distribution platforms. Given the significant concentration of our supply chain with Pepsi, Pepsi can affect our strategic decision making as we seek to expand and grow our product lines, and any significant disagreement or a termination of our arrangements with Pepsi could prevent us from distributing our products and would have a material adverse effect on our business, 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 in the past and we expect our expansion to continue as we enter more markets internationally. During the year ended December 31, 2024, we grew to 1,073 employees, and we expect to further expand our hiring and marketing efforts; however, we can provide no assurance that our business or revenue will continue to grow, and any 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 cash flows. Accordingly, we cannot guarantee that we will achieve our planned growth, or that we will continue to sustain such growth or performance. Our demand generation strategies through social media and the 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 through social media and 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 through social media and 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 on facts. In addition, false information about our products and our ingredients has been and, in the future, may be distributed through social media. Due to the inherent nature of social media and the manner and speed with which such messages are spread, we**

may not be aware of or able to have such messages removed before they have done significant harm to our business, if at all. 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. 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 of 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. 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. As a result of increased consolidation of ownership and purchasing power in the retail industry, large retailers with increased purchasing power may reduce the prices which they are willing to pay for our products and may also adversely impact our ability to compete in many markets. Consequently, Additionally, our smaller customers' ability to compete with large retailers may be adversely impacted adversely, resulting in their inability to pay for our products, which, in turn, would reduce our sales the amount of products we sell. Any inability to successfully manage the potential impact of these commercial changes could have a 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. We 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 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. 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 a material adverse effect on our business, financial condition, results of operations, and cash flows. We predominantly rely on third-party co-packers to manufacture our products. If we are unable to maintain good relationships with our co-packers or their ability to manufacture our products becomes constrained or unavailable to us, our business could suffer. We do not directly manufacture a portion of our products, but instead outsource such the majority of manufacturing to third-party co-packers. We Within North America, we have created established a network model within North America that leverages encompasses the utilization of co-packers and warehousing across each various geographical area areas, as well as. This model also includes alternative warehousing and co-packing arrangements capacity, in order to mitigate risks and reduce our exposure within each reliance on any single geographical area. These third-party co-packers may not be able to fulfill our demand as it arises, or they may 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 or within a reasonably short time period, and any such transition could be costly. In Although, as discussed below, we acquired one of our co-packers on November 1, 2024, such ease acquisition presents additional risks and does not mitigate the risks presented by our continued use of co-packers, any of which risks could have a material adverse effect on our business, financial condition, results of operations, and cash flows. We may not be able to successfully integrate Alani Nu or other businesses that we may acquire. Our ability to successfully implement our business plan and achieve targeted financial results is dependent on our ability to successfully integrate Alani Nu and other businesses that we may acquire in the future. The process of integrating Alani Nu, and any other acquired businesses, involves risks. These risks include, but are not limited to: • demands on management related to the increase in the size of our business; • diversion of management's attention from the management of daily operations; • difficulties in the assimilation of different corporate cultures and business practices; • difficulties in conforming the acquired company's accounting policies to ours; • retaining employees who may be vital to the integration of departments, information technology systems, including accounting systems, technologies, books and records, and procedures, and maintaining uniform standards, such as internal controls, procedures, and policies; and • costs and expenses associated with any undisclosed or potential liabilities. Failure to successfully integrate Alani Nu or any other acquired businesses may result in reduced levels of revenue, earnings, or operating efficiency than might have been achieved if we had not acquired such businesses. In addition, the acquisition of Alani Nu will result, and any future acquisitions would could result, in the incurrence of additional debt and related interest expense, contingent liabilities, and amortization expenses related to intangible assets, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may not be able to achieve the benefits that we expect to realize as a result of the acquisition of Alani Nu. Failure to achieve such benefits could have an adverse effect on our financial condition and results of operations. We may not be able to realize anticipated cost savings, revenue enhancements, or other synergies from the acquisition of Alani Nu, either in the amount or within the time frame that we expect. In addition, the costs of achieving these benefits may be higher than, and the timing may differ from, what we expect. Our ability to realize anticipated cost savings, synergies, and revenue enhancements may be affected by a number of factors, including, but not limited to, the following: • the use of more cash or other financial resources on integration and implementation activities than we expect; • unanticipated

increases in expenses unrelated to the acquisition of Alani Nu, which may offset the expected cost savings and other synergies from such acquisition; • our ability to eliminate duplicative back office overhead and redundant selling, general, and administrative functions; and • our ability to avoid labor disruptions in connection with the integration of Alani Nu, particularly in connection with any headcount reduction. While we expect the acquisition of Alani Nu to create significant opportunities to reduce our combined operating costs, these cost savings reflect estimates and assumptions made by our management, and it is possible that our actual results will not reflect these estimates and assumptions within our anticipated timeframe or at all. If we fail to realize anticipated cost savings, synergies, or revenue enhancements, our financial results may be adversely affected, and we may not generate the cash flow from operations that we anticipate. Alani Nu may have liabilities that are not known to us. Alani Nu may have liabilities that we failed, or were unable, to discover in the course of performing our due diligence investigations. We cannot assure you that the indemnification available to us under the acquisition agreement in respect of the acquisition of Alani Nu or the representation and warranty insurance procured by us in connection with such agreement will be sufficient in amount, scope or duration to fully offset the possible liabilities associated with Alani Nu's business or property that we will assume upon consummation of our acquisition of Alani Nu. We may learn additional information about Alani Nu that materially adversely affects us, such as unknown or contingent liabilities and liabilities related to compliance with applicable laws. Any such liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Growth through acquisitions involves a number of risks and an inability or failure to address the challenges associated with strategic transactions and related integration risks could adversely affect our business and results of operations. We regularly review and evaluate potential acquisitions, joint ventures, distribution agreements, divestitures, and other strategic transactions. The success of these transactions 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. Failure to successfully complete or manage strategic transactions could adversely affect our business. If we do not successfully integrate and manage our acquired businesses, brands or bottling operations, or if we are unable to realize a significant portion of the anticipated benefits of our joint ventures or strategic relationships, our business and financial results could suffer. Growth through acquisitions involves a number of risks, including, but not limited to the following: • the ability to identify and consummate transactions with complementary acquisitions candidates; • the successful operation and integration of acquired companies; • the efficiency and effectiveness of the acquired companies' internal control environment; • diversion of management's attention from other daily functions; • issuance by us of equity securities that would dilute ownership of our existing stockholders; • incurrence or assumption of significant debt and contingent liabilities; and • possible loss of key employees and / or customer relationships of the acquired companies. On November 1, 2024, we acquired all of the equity interests of Big Beverages Contract Manufacturing L. L. C. ("Big Beverages"), a canned beverage manufacturer and co-packing partner of the Company. Acquisitions such as this, involving businesses, brands or bottling operations may involve significant challenges and risks, and the expected benefits may take longer to realize than expected or may not be realized at all. Our business may also be adversely affected if we are unable to successfully integrate this or other acquired businesses, brands or bottling operations, or if we are unable to consolidate such operations. To the extent we integrate Big Beverages or other acquired businesses, brands or bottling operations, it is possible that we will not realize the expected benefits from any such completed acquisition over the timeframe we expect, or at all, or that our existing operations will be adversely affected as a result of such acquisitions. Integrating the operations of Big Beverages or other acquired businesses, brands or bottling operations can be a difficult, costly and time-consuming process that involves a number of risks including, but not limited to, the integration of company cultures and management teams, retaining key employees and customers, increased exposure to certain governmental regulations and compliance requirements, increased costs, and use of resources. We may face difficulties in operating through new business models and / or supply chain models, or in new categories or territories, and challenges in extending Company controls (including internal controls over financial reporting, disclosure controls and procedures, data protection and cybersecurity), policies and governance structures (including with respect to food safety and quality, occupational safety, and sustainability) to Big Beverages or other newly acquired businesses, brands or bottling operations, which may result in increased costs and negative publicity. The costs of achieving benefits from our acquisition of Big Beverages or other acquisitions could be higher than we expected. Therefore, the acquisition and integration of Big Beverages or other acquired businesses, brands or bottling operations may not contribute to our earnings as expected, we may not achieve profit margin targets when expected, or at all, and we may not achieve the other anticipated strategic financial benefits of such transactions. Any such failure could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Our customers are material to our success. If we are unable to maintain good relationships with our existing customers, our business could suffer. Our customers, including 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, which could cause our business to suffer. Such decisions are outside of our control, and may be made based upon any number of reasons, including cost, changing consumer tastes and preferences and the availability of competing products. Such a loss of customers would could have a material adverse effect on our business, 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 in producing our products are flavors and ingredient blends as well as aluminum cans, the prices of which are subject to fluctuation. We are uncertain whether the prices of any of the 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 **other** raw materials. In addition, some of these raw materials, such as our sleek 12 ounce can, are **available** only available from a limited number of suppliers. **In the past, our industry has experienced shortages of aluminum cans. Periodic and often unpredictable industry-wide shortages of raw materials, including aluminum cans, could disrupt or delay the production of certain products and adversely affect our financial performance.** As alternative sources of supply may not be available, any interruption in the supply of such raw materials **could have a material adverse effect on.....** 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 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, or the loss of 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 or lost customer orders, unauthorized access, destruction, loss, alteration, falsification, unavailability or release of material confidential or otherwise protected information and corruption of data. **Additionally, threat actors' use of artificial intelligence could further enhance the frequency and effectiveness of such attacks.** 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 material adverse effect on our business, financial condition, results of operations, and cash flows. We **also** 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, 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 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 material adverse 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. There are no assurances that our cyber- security insurance would be adequate in relation to any incurred losses. Moreover, as cyber- security attacks 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. **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 or new~~ products. Our ability to estimate demand for our products 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 **,as discussed above,we** are unable to secure sufficient ingredients, flavors, aluminum cans and other raw materials or packaging materials for our beverage products or **we** 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. **If we** ~~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 or product shortages. We generally do not use hedging agreements~~ **accurately anticipate the future demand or 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 or retailers, increase our distribution costs 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. Conversely, we may experience a decrease in demand due to activities outside of our control, such as a general decrease in the demand for energy drinks, consumers shifting preferences away from our products and to our competitors or to** ~~alternative instruments~~ **beverages, or the actions of our third- party distributors or retailers. If the inventory of our products held by our distributors or retailers is to too** ~~manage this risk. Such shortages high, they will not place orders for additional products, which could interfere with~~ **unfavorably impact or our** ~~delay production of certain of our~~ **future sales. Any inability to maintain sufficient products- product and quantities as sales increase, or to anticipate future decreases in product demand for any reason,** could have a material adverse effect on our business, 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 or retailers, increase our distribution costs 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 or retailers is too high, they will not place orders for additional products, which could unfavorably impact our future sales and have a material adverse effect on our business, financial 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 our products. Various jurisdictions may adopt significant additional product labeling or warning requirements or limitations on the marketing or sale of our products as a result of, among other things, 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, they may inhibit sales of such products. For example, under one such law in California, known as Proposition 65, if the state State has determined that a substance causes cancer, birth defects or other reproductive harm, 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. **During 2024, we became subject to allegations that we are violating Proposition 65, which we believe is without merit.** If we were required to add Proposition 65 warnings on the labels of one or more of our 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 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 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, **France and Monaco, and Australia, New Zealand, and the Pacific Islands.** In 2024, we established our international operations hub in Dublin, Ireland to, among other things, better support our international expansion goals. In support of these goals, we aligned our global operating model with international business strategies and evolving tax regulations. While these efforts are intended to enhance our international growth and tax strategies, they expose us to risks including, challenges in complying with complex and evolving tax laws, transfer pricing regulations, and local ingredient requirements across multiple jurisdictions. **Changes in tax laws or regulatory enforcement priorities could adversely impact the anticipated benefits of our restructuring or result in increased tax liabilities, disputes, or penalties.** As our growth strategy includes continuing the expansion in these and other international markets, if our current efforts are unsuccessful or if we are unable to continue to expand distribution of our products outside the 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 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 U.S., including possible taxes or withholding obligations on any repatriations; and tariffs or trade restrictions. Also, distribution and sale of products outside of the 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 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, among other things, expose us to regulatory scrutiny should our product products be sold or consumed in markets without proper approvals. **In addition, U.S. based brands could be subjected to unfavorable global sentiment based on geopolitical factors that are outside of our control. Any of these these risks, or a failure to achieve the intended outcomes for our international operations hub,** 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, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Numerous U.S. and 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 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 have a material adverse effect on our business, 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 **new or increased** tariffs or trade relations between the U.S. and other countries, **could impact the cost and availability of our products, including our raw materials used in products production** subject. **These impacts may lead to such higher prices or reduced availability, which could negatively affect our sales performance. Retaliatory actions and actions taken by other countries in retaliation** may also have an adverse impact on **us the Company**. 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 and evaluate potential acquisitions, joint ventures, distribution agreements, divestitures, and other strategic transactions. The success of these transactions 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 franchised 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 adverse effect on our business, financial condition, results of operations, and cash flows. 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, 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.** If we fail to comply with data privacy and personal data protection laws, we could be subject to adverse publicity, government enforcement actions 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. Other examples of certain requirements we face include those with respect to the Health Insurance Portability Act, the California Consumer Privacy Act (the "CCPA"), the California Privacy Rights Act, the Colorado Privacy Act, and the Virginia Consumer Data Protection Act. Any such legislation can impose onerous and costly requirements on companies. For example, the CCPA provides a 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 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. Changes introduced by the GDPR, 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 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 or criminal prosecution, thereby materially adversely affecting our business, financial condition, results of operations, and cash flows. **If we fail to manage future growth..... of operations, and cash flows.** We may incur material losses as a result of product recalls, regulatory enforcement actions, ~~and /-liabilities related to or our product products liability-~~. Potential contamination that could cause foodborne illness, the presence of undisclosed major food allergens, and / or other food safety concerns, whether or not caused by our actions, could lead to a voluntary product recall, regulatory enforcement action and / or private litigation. This could have a material adverse effect on our business, financial condition, 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. **Additionally, product tampering, either on a small or large scale, such as the introduction of foreign material, chemical contaminants or pathogenic organisms into our products, could have a material adverse effect on our business, financial condition, results of operations, and cash flows.** A product recall, regulatory enforcement action and / or litigation **arising from any of the foregoing or otherwise,** could ~~also cause on its own or as a result of~~ long term reputational damage ~~to the brand and /-or Company,~~ **which could have a material adverse effect..... reputation.** Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and cash flows. 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 our product formulations nor has it reviewed or approved any claims we make related to our products. If the FDA or any other governmental authority were to take issue with the 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 or any of the components of the packaging materials for our products this could also have a material adverse effect on our business, financial condition, results of operations, and cash flows. Any type of federal, state, or local regulatory enforcement action related to the ~~manufacturer~~ **manufacturing,** 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, **an** enforcement action taken against **us or** one of our ~~third-party~~ ~~co-~~ packers for failing to maintain an appropriate FDA registration or comply with applicable ~~current~~ **Current** good manufacturing practice (“ 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. 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, results of operations, and cash flows. The shifting regulatory environment through the various jurisdictions in which our products are sold necessitates building and maintaining robust **internal control** 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, **then** 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.** **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 adverse effect on our business, financial condition, 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. 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, and have a material adverse effect on our business, financial condition, 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 has 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 successfully -- 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 certain European countries where employees are represented by unions -- the union activity, collective bargaining disputes, or work stoppages could disrupt operations or increase costs, and local labor laws may limit our flexibility to make workforce adjustments in response to changing business needs. 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 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' s regional conflict conflicts may adversely impact our business operations and financial performance. U. S. and global markets are have and may continue to experience experience volatility and disruption following resulting from the geopolitical instability resulting from the ongoing Russia-Ukraine conflict and the recent escalation of the Israel-Hamas' s regional conflict conflicts. 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' s regional conflict conflicts 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 ongoing 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 new or continuing sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets. These ongoing conflicts and the resulting geopolitical instability could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Risk Factors Related Related to Our Industry We are subject to significant competition by other companies in the functional beverage product industry. The functional beverage product industry 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 beverages produced by a relatively large number of manufacturers, 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 with significantly greater financial resources -- 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 Inc., Nestlé S. A., BlueTriton Brands, Starbucks Corporation, and Congo Brands and Molson Coors. 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 industry, we may encounter difficulties in maintaining our current revenues, market share or position this in the functional beverage product industry, any of which could have a material adverse effect on our business, financial condition, results of operations, 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 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. **In addition, if we fail to adequately differentiate our products from those of our competitors, we may lose market share and pricing power, and fail to attract or retain loyal customers. The increasing number of competing products and limited shelf space in retail outlets may further limit our ability to establish and maintain a distinctive market position.** If we are not successful in our innovation activities, we could ~~have experience~~ have a material adverse effect on our business, financial condition, results of operations, and cash flows. Changes in consumer product and shopping preferences may reduce demand for some of our products. The functional beverage product category 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. 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 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, which could reduce our revenues and ~~have a material adverse effect on~~ **adversely affect** our **business, financial condition, results of operations, and cash flows**. Consumers are seeking greater variety in their functional beverage products. Our future success will depend, in part, upon our continued ability to develop and introduce different and innovative 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 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 brands, products or packages may be limited to a few years before consumers' preferences change. The functional beverage products that 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. ~~A If our revenues decline, in our revenue for any of these reasons could have a material adverse effect on~~ **our business, financial condition, results of operations, and cash flows could be adversely affected**. We derive virtually all of our revenues from functional beverage products, and competitive pressure in the functional beverage product category could ~~materially~~ **adversely** affect our business and operating results. Our focus is on the functional beverage product category, and our business is vulnerable to adverse changes impacting this category ~~and business~~, which could adversely impact our business, **results of operations**, and the trading price of our common stock. Virtually all of our sales are derived from our functional beverage products, including our CELSIUS® Originals and ~~Vibe~~, CELSIUS® **Vibe, CELSIUS® ESSENTIALS ESSENTIALSTM**, CELSIUS® On-the-Go and CELSIUS® product lines. Any decrease in the sales of our functional beverage products could significantly adversely affect our future revenues and net income. Historically, we have experienced substantial competition from new entrants in the functional beverage category. The increasing number of competitive products and limited amount of shelf space ~~, including in coolers, in retail stores~~, **including in coolers**, 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 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 beverage category ~~as well as competition from the supplement category~~ could impact our revenues, cause price erosion or lower market share, any of which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. ~~If we We compete in an industry that is brand-conscious, so brand name recognition and acceptance of our products are critical, unable to~~ **successfully manage new product launches**, our ~~success~~ **business and financial results** significant marketing and advertising could be ~~adversely affected~~ **needed to achieve and sustain brand recognition**. Due to the highly competitive nature of the global functional beverage product 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 non-alcoholic beverage category, our sales are seasonal. 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 a material adverse effect on our business, financial condition, results of operations, and cash flows. Changes in government regulation, or failure to comply with existing regulation concerning energy drinks, could adversely affect our business and financial performance. The production, marketing and sale of our functional beverage products are subject to the rules and regulations of various federal, state and local 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 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 **with respect to** labeling, **environmental ingredients**, tax or otherwise, could have a material adverse effect on our business, financial condition, 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. If we or our suppliers fail to comply with applicable product safety and quality standards, or if our 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 have a material adverse effect on our business, 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 or ingredient content issues, 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. **Our sales are affected by seasonality. As is typical in the non- alcoholic beverage category, our sales are**

seasonal. 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. Unseasonably cool or wet weather during the spring and summer months may lead to decreased sales, potentially having 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 manufacture 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 and other legal proceedings, including, but not limited to, intellectual property, false advertising, product liability, and breach of contract claims, and violations of consumer protection statutes and securities laws. Lawsuits have been filed against us claiming that certain statements made in our or our partners' advertisements or on the labels of our products, in our public filings with the Securities and Exchange Commission or in our or public statements, were false or misleading or otherwise not in compliance with applicable state and / or federal regulatory requirements, including class action alleging "channel stuffing". Class action lawsuits have been filed against us, alleging that certain claims in our marketing promotional materials amount to false advertising or were otherwise misleading. 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 otherwise not in compliance with 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 laws and regulations, management may choose to settle claims in order to avoid lengthy litigation and associated expenses and / or disruptions to its business. Although the Company recently settled claims brought by the SEC, it could be subject to additional investigations or lawsuits from the SEC or other regulators in the future. For additional information regarding the claims that we face, please see Note 15. Commitments and Contingencies, in the Notes to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K. 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 of operations, and cash flows. If we fail to remediate our existing material weaknesses or do not maintain an effective internal control environment or as well as adequate control procedures over our financial reporting, investor confidence may be adversely affected thereby affecting the value of our stock price. 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, 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 or, the value results of our stock operations, and cash flows may be materially, 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, 2022 and 2023. A material weakness is a deficiency, or a combination of deficiencies, in ICFR, 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 has successfully is in the process of remediating remediated the material weakness weaknesses identified in prior years through the implementation of a remediation plan, but including enhanced internal control procedures and strengthened oversight. While these remediation efforts have been effective, there can be no assurances that those-- the efforts Company will not identify be successful. If the Company's remediation efforts are insufficient or if additional material weaknesses in ICFR are discovered or occur in the future, or if the Company fails-- fail to establish and maintain an effective control environment or, If the Company is unable to maintain adequate ICFR or establish an effective control environment, its the Company's consolidated financial statements may contain material misstatements, and it could be required to revise or restate its financial results, which. Such events 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 address control deficiencies 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 its business, financial condition, results of operations, and cash flows. We currently face may be subject to regulatory examinations and proceedings 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 subpoenas for the production of documents in connection with this matter. The investigation and requests from the SEC do not represent 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, damaging to our brand, and could have a material adverse effect on our business, 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. **These disruptions**, which, in turn, can impair the manufacturing and distribution of our products, interrupt product supply, or lead to a loss of sales, **They may also** 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**. **Any** of which **these outcomes** 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 **2020-2021** through **2022-2023** 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 **2019-2020** through **2022-2023** 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 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 U. S. Congress 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 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, **such as with respect to our new center in Ireland**, 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, **any of which** could have a material adverse effect on our business, financial condition, 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 U. S. Generally Accepted Accounting Principles (“U. S. GAAP”), we are required to review our goodwill and indefinite-lived intangible assets for impairment annually, and more frequently if events or changes in circumstances indicate the carrying value may not be recoverable. Factors potentially affecting our estimated fair values, used in comparison with carrying values, include but are not limited to, 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, **2023-2024**, our goodwill totaled approximately \$ **14-71.2-6** million and net intangible assets totaled approximately \$ **12.4-2** 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 **materially adversely** affected by changes in foreign currency exchange rates. For the years ended December 31, **2024, 2023, and 2022 and 2021**, net foreign currency translation **loss (gain (loss))** resulted in a **loss of \$ 2.5 million, a gain of \$ 1.2 million, and a loss of \$ 2.5 million and a gain of \$ 0.8 million**, respectively. Potential changes in accounting standards or practices 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 or indirect taxes on beverages generally or energy drinks in particular) could affect our products’ affordability and **materially** reduce our sales. 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 U. S. has increased our exposure to any developments or crises in **various 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 are subject to risks which may cause losses and affect the liquidity of these investments. On December 31, **2023-2024**, we had \$ **756-890.02** 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 a material adverse effect on our future results of operations, liquidity and financial condition.

**Risk Factors Related to our Our Common Stock** The market price and trading volume of our common stock **is and** has been ~~and may 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' **forecasts of our future performance, including** net revenue or earnings forecasts, which are based on their own projected revenues, sales volumes and sales mix of many product types 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 or net income ~~. As a~~, **and our failure to meet analyst forecasts may** result ~~, in a decline in the price of our common stock. Our~~ stock price is **and has been** 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 **common** stock ~~could have result resulted~~ in the initiation of securities class action litigation against us ~~. During the fiscal year ended December 31, and continued 2023, the high of our~~ stock price ~~was~~ **volatility could result in the initiation of new actions. For the period January 1, 2024 through February 20, 2025, the price of our common stock ranged from a high of \$ 68-99.42 and the 62 to a low was of \$ 27-21.10**; ~~adjusted for the Forward Stock Split, that occurred within the year.~~ Our Board 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 control. We have outstanding shares of preferred stock with rights and preferences superior to those of our common stock. Our Articles of Incorporation ~~allows~~ **allow** our Board to issue shares of preferred stock without any vote or further action by our stockholders. Our Board has the authority to fix and determine the relative rights and preferences of preferred stock. As a result, our Board 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 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, all of which were issued and sold to Pepsi, and ~~were initially are not currently~~ convertible at the rate of **five-fifteen** 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. Certain of our affiliated stockholders can exert significant influence on the Company's corporate affairs. Certain of our affiliated stockholders own approximately **23-18.5**% of our issued and outstanding common stock **and can**. ~~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 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 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.