Risk Factors Comparison 2024-02-20 to 2023-02-21 Form: 10-K

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Investing in our Company involves risk. Investors should carefully consider the following risk factors and the other information contained within this report. The risks set forth below are those that management believes are most likely to have a material adverse effect on us. Investors are encouraged to read each risk factor as related and interconnected to the other risk factors set forth in this section. However, the risks set forth below are not a comprehensive description of the risks facing our Company. We may also be subject to other risks or uncertainties not presently known to us or that we currently deem to be immaterial but may materially adversely affect our business, financial condition or results of operations in future periods. Investors should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. If the following risks or uncertainties, individually or in combination, actually occur, they may have a material adverse effect on our business, financial conditions, results of operations or prospects. See also" Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995." Risks Related to our Company and Operations Deterioration of general economic, political, credit and / or capital market conditions, including those caused by the ongoing Russia- Ukraine conflict **,** or other geopolitical tensions, could adversely affect our financial performance, our ability to grow or sustain our business, financial condition and results of operations, and our ability to access the capital markets. We compete around the world in various geographic regions and product markets. Global economic and political conditions affect our business and the businesses of our customers, suppliers and consumers. Recessions, economic downturns, price instability, inflation, slowing economic growth ~~and~~ **,** social and political instability **, and violent crime and related matters** in the markets where we compete could negatively affect our revenues and financial performance, and adversely impact our ability to grow or sustain our business. For example, current macroeconomic and political instability caused by the ~~ongoing conflict between Russia and Ukraine (which we refer to as the"~~ Russia- Ukraine conflict ~~")~~, global supply chain disruptions and inflation have adversely impacted and could continue to adversely impact our business and financial results. Specifically, the ongoing Russia- Ukraine conflict, has adversely affected the global economy, and the geopolitical tensions and conflicts it has generated and continues to generate negatively impact our operations. It has resulted in heightened economic sanctions from the U. S., the U. K., the European Union and the international community. As a result of the Russia- Ukraine conflict, in 2022 we suspended all exports of ~~any MCBC~~ **all our** brands to Russia and ~~we~~ **subsequently** terminated the license to produce any of our brands in Russia ~~, which may expose us to adverse legal proceedings~~. Even though our sales in Russia have historically been limited, representing less than 0. 2 % of our 2021 consolidated net sales and less than 1 % of our 2021 EMEA & APAC net sales, and we have no physical assets in Russia, the effect of the Russia- Ukraine conflict due to the widespread impact **, particularly in Eastern Europe,** has had and could continue to have a material adverse outcome on our business, financial condition, results of operations, supply chain, availability of critical supplies, intellectual property, partners, customers or employees. Further escalation of geopolitical tensions related to the Russia- Ukraine conflict, including increased trade barriers or restrictions on global trade, could result in, among other things, broader impacts that expand into other markets, cyberattacks, energy supply availability shortages, supply chain and logistics disruptions, lower consumer demand, and volatility in foreign exchange rates, interest rates and financial markets, any of which may adversely affect our business and supply chain. Similar geopolitical tensions and political conflicts could adversely impact our employees, financial performance and global operations, including by, among other things, jeopardizing the safety of our employees and facilities, disrupting our and our partners' production, supply chain and logistics and communications, and causing market volatility, which could adversely impact consumer demand and our sales. More broadly, there could be additional negative impacts to our financial results if the Russia- Ukraine conflict worsens, including, among other potential impacts, economic recessions in certain neighboring countries or globally due to inflationary pressures, including with respect to food, energy and supply chain cost increases or shortages, or the geographic proximity of the conflict relative to the rest of Europe. In addition, the effects of the ongoing Russia- Ukraine conflict could amplify or affect many of our other risks described elsewhere in Part I, Item 1A," Risk Factors" in this Annual Report on Form 10- K. In addition, the capital and credit markets provide us with liquidity to operate and grow our business beyond the liquidity that operating cash flows provide, which can vary from period to period. A global or regional economic downturn or disruption of the credit markets could increase our future borrowing costs and impair our ability to access capital and credit markets necessary for our operations and to execute our strategic plan. If our access to capital on terms commercially acceptable to us were to become significantly constrained, or if costs of capital increased significantly, then our financial condition, results of operations and cash flows could be adversely affected. Further, continued disruption and declines in the global economy have impacted and could continue to impact our customers' liquidity and capital resources and therefore our ability to collect, or the timeliness of collection of our accounts receivable from them, which may have a material adverse impact on our performance, cash flows and capital resources. Our operations are dependent on the global supply chain and face significant exposure to changes in commodity and other input prices, and impacts of supply chain constraints and inflationary pressures could adversely impact our operating results. We depend on the effectiveness of our supply chain management to assure reliable and sufficient supply of quality products. Our business has been, and may continue to be, impacted by supply chain constraints, including ~~as a result of raw materials and ingredient shortages,~~ longer lead times, ~~port congestion and increased freight costs caused,~~ in part, by ~~the coronavirus pandemic,~~ the Russia- Ukraine conflict and the uncertain economic environment worldwide. These supply chain constraints ~~also~~ **could** put significant inflationary pressures on commodity and other input prices. In addition, current proposed or future governmental policies may increase the risk of inflation, which could further increase the costs of raw materials and other components for our business. We use a large volume of agricultural and other raw materials, some of which are purchased through supply contracts with third parties, to produce our products, including barley, malted barley, hops, corn, other various starches, water and packaging materials, including aluminum cans and bottles, glass and polyethylene terephthalate containers as well as cardboard and other paper products. We also use a significant amount of diesel fuel, natural gas, electricity and carbon dioxide in our operations. The supply and price of these raw materials and commodities can be affected by a number of factors beyond our control, including market demand, inflation, alternative sources for suppliers, global geopolitical events, such as the Russia-Ukraine conflict (especially as to their impact on energy supply prices in general, including crude oil prices and the resulting impact on diesel fuel prices), global or regional disease outbreaks or pandemics ~~, such as the coronavirus pandemic~~ , trade agreements among producing and consuming nations, governmental regulations (including tariffs), frosts, droughts and other weather conditions, changes in precipitation patterns, the frequency of extreme weather events, economic factors affecting growth decisions, plant diseases, theft and industry surcharges and other practices. Similarly, if the costs of goods continue to increase, our suppliers may seek price increases from us. If we are unable to mitigate the impact of these matters through customer price increases, cost savings to offset cost increases, hedging arrangements, or other measures, our results of operations and financial condition could be adversely impacted. If our competitors maintain or substantially lower their prices, we may lose customers or mark down prices. Our profitability may be impacted by prices that do not offset the inflationary pressures, which may impact our gross margins. Even if we are able to raise the prices of our products, we may not be able to sustain such price increases and consumers might react negatively to such price increases, which could have a material adverse effect on, among other things, our brand, reputation and sales. Temporary or sustained price increases may also lead to a decrease in demand for our products as competitors may not adjust their prices or consumers may decide not to pay higher prices for our products, which could lead to a decline in sales volume and loss of market share. Our projections may not accurately predict the volume impact of price increases, which could adversely affect our business, financial condition and results of operations. ~~Even though our businesses are working to alleviate supply chain constraints through various measures, such as sourcing from additional suppliers and using alternative delivery methods or materials, we are unable to predict the impact of these constraints on the timing of revenue and operating costs of our business in the near future. Packaging material supply shortages and supply chain constraints, including cost inflation, have impacted and could continue to negatively impact our ability to meet increased demand in off- premise channels or particular packages which in turn could impact our net sales and market share. In addition, in 2021 and 2022, shortages of raw materials and disruption to the global supply chain negatively impacted sales, costs and inventory availability and may continue to have a negative impact on future results and profitability. In the U. S., we are exposed to variability in the market price of a regional premium differential (which we refer to as " the Midwest Premium ") charged by industry participants to deliver aluminum from the smelter to the manufacturing facility. This premium differential fluctuates in relation to several conditions, including the supply of and demand for aluminum in a particular region, associated transportation costs and warehouse financing transactions, which limit the amount of physical aluminum available to consumers and increases the price differential as a result. During periods of greater volatility in the Midwest Premium, the variability in our cost of goods sold can also increase. In addition to impacting the prices of raw materials, a constant or periodic change in the Midwest Premium differentials may impact our end consumers as we must either pass on the increased costs to our consumers or decrease our profit margins. Increases in the Midwest Premium, or the inability to pass through any fluctuation in aluminum prices or regional premiums to our end consumers, could have a material adverse effect on our business, financial condition, results of operations and cash flow.~~ Geopolitical tensions **may** ~~, the ongoing coronavirus pandemic and related governmental and port facility actions have caused~~ **cause** delays in shipments of our products and supplies ~~. During the year ended December 31, 2022, we and our suppliers experienced disruptions that impacted our supply chain and increased global lead- time for our products, including port congestion, temporary closures and worker shortages. Further, we distribute our products and receive raw materials primarily by truck or rail. We have experienced, and may continue to experience, higher transportation and costs despite our efforts to reduce the impact of these higher costs. Higher transportation costs are a result of increased fuel and labor prices and freight costs, as well as reduced trucking capacity due to driver shortages. In addition, global inflation has contributed to already higher incremental freight costs and such inflation may continue to result in higher freight costs. Reduced availability of trucking or rail capacity may also result from an increase in competition for transportation of products and has caused, and could continue to cause, us to incur unanticipated expenses, such as using the spot market. Any efforts to pay spot market prices, which are higher than they have been in many years, or similar methods could adversely impact our business and financial results~~ . Failure to adequately produce and timely ship our products to customers could lead to lost potential revenue, failure to meet customer demand, strained relationships with customers, including wholesalers, ~~and diminished brand loyalty. Similarly, failure to adequately produce and timely ship our products to customers and consumers could lead to lost potential revenue, failure to meet consumer demand, strained relationships with customers and consumers~~ and diminished brand loyalty. Weak, or weakening of, economic, social or other conditions in the markets in which we do business, including cost inflation and reductions in discretionary consumer spending, could adversely impact demand for our products or cause consumers to suffer financial hardship, which could have a material adverse effect on our business and financial results. Beer consumption in some of our markets could be closely tied to general economic conditions and a significant portion of our portfolio consists of premium and above premium brands. Difficult macroeconomic conditions in our markets, such as further decreases in per capita income and level of disposable income driven by increases in inflation, energy costs, income (and other) taxes and the cost of living, increased and prolonged unemployment or a further decline in consumer confidence ~~, in each case, as a result of the coronavirus pandemic, the Russia- Ukraine conflict or other geopolitical tension~~ , as well as limited or significantly reduced points of access of our product, political or economic instability or other country- specific factors, could continue to have a material adverse effect on the demand for our products. For example, under difficult or deteriorating economic conditions, consumers may seek to reduce discretionary spending by forgoing purchases of our products by shifting away from our premium and above premium products to lower- priced products offered by us or other companies or by shifting to off- premise from on- premise consumption, negatively impacting our net sales and margins. A significant portion of our consolidated net sales are concentrated in the U. S., Canada and countries in Europe, which represent the majority of net sales within our Americas and EMEA & APAC segments. Therefore, unfavorable macroeconomic conditions, such as inflationary pressures, a recession or continued slowed economic growth in the U. S., Canada or countries in Europe, could negatively affect consumer demand for our ~~product~~ **products** in these important markets, which consequently, may negatively affect the results of operations in our Americas and EMEA & APAC segments. Softer consumer demand for our products could reduce our profitability and would have a material adverse effect on our business and financial results. Loss, operational disruptions or closure of a major brewery or other key facility, including those of our suppliers, due to unforeseen or catastrophic events or otherwise, could have a material adverse effect on our business and financial results. Our business could be interrupted and our financial results could be materially adversely impacted by physical risks such as earthquakes, fires, hurricanes, floods, acts of war, terrorist attacks, cyberattacks and other disruptions in information systems, such as the March 2021 cybersecurity incident, disease outbreaks or pandemics ~~, such as the coronavirus pandemic,~~ and other natural disasters or catastrophic events that damage, disrupt or destroy one of our breweries or key facilities or the key facilities of our significant suppliers. If any of our breweries or key facilities or the key facilities of our significant suppliers experience a significant operational disruption or catastrophic loss, it could delay, disrupt or reduce production, shipments and revenue, and result in potentially significant expenses to repair or replace these properties. Such significant disruptions could be due to, among other things: • the loss or disruption of the timely availability of adequate supplies of essential raw materials for us and our suppliers, including single- source suppliers; • our ability to **effectively** integrate new suppliers into our operations; • material financial issues facing our suppliers, such as bankruptcy or similar proceedings; • transportation and logistics challenges, including as a result of ~~port and border closures and other~~ governmental restrictions and the availability and capacity of shipping channels as customers may shift to increased online shopping; • the loss or disruption of other manufacturing, distribution and supply capabilities; • ~~the loss or disruption of the energy sources or suppliers in Europe due to supply shortages as a result of the Russia- Ukraine conflict, including price increases in the energy market; •~~ labor shortages, strikes or work stoppages; • the loss or disruption of the supply of carbon dioxide gas; • acts of war and terrorism **; or** • ~~illness to~~ **natural disasters, pandemics, public health crises, or other catastrophic events and the associated impacts of such events, including impacts on** our employees ~~or~~ **,** their families **,** ~~or governmental restrictions on such employees' ability to travel or perform necessary business functions; or • as a result of the need for us~~ or our suppliers ~~to operate our respective businesses with substantial modifications to employee travel and employee work locations~~ . We experienced certain of the foregoing risks and losses in connection with the March 2021 cybersecurity incident and the coronavirus pandemic. Additionally, certain catastrophes are not covered by our general insurance policies, which could result in significant unrecoverable losses. Our business and results of operations could also be adversely impacted by under- investment in physical assets or production capacity, including contract brewing and effect on the priority of our brands if production capacity is limited. Further, significant excess capacity at any of our breweries as a result of increased efficiencies in our supply chain process or continued volume declines could result in under- utilization of our assets, which could lead to excess overhead expenses or additional costs incurred associated with the closure of one or more of our facilities. For example, as part of a strategic review of our supply chain network, certain breweries and bottling lines were closed in recent years, and we have incurred brewery closure costs, including charges associated with the closure of the Irwindale brewery in 2020, which was subsequently sold to Pabst Brewing Company, LLC in the fourth quarter of 2020. We regularly review our supply chain network to ensure that our supply chain capacity is aligned with the needs of the business. Such reviews could potentially result in further closures and the related costs could be material. Cybersecurity incidents impacting our information systems, and violations of data privacy laws and regulations could disrupt our business operations and adversely impact our reputation and results of operations. Our information systems may be the target of **cyberattacks** ~~cyber- attacks~~ or other security breaches, which, if successful, could, among other things, disrupt our operations, applications and services, cause the loss of key business, employee, customer or vendor information, cause us to breach our legal, regulatory or contractual obligations, prevent us from accessing or relying upon critical business records, cause reputational damage, or impact the costs or ability to obtain adequate insurance coverage. These incidents may result from human errors, equipment failure, or fraud or malice on the part of employees or third parties. The risk of cyber threats or cyberattacks increases as we rely more on digital partners, including supply- chain partners integrated into our business, who may also be the target of cyberattacks or other security breaches. If our information systems suffer severe disruption, damage, or shutdown we could experience delays and disruptions in our business, including brewery operations, production and shipments and delays in reporting our financial results, such as those we experienced with the March 2021 cybersecurity incident, which could adversely affect our cash flows, competitive position, reputation, financial condition or results of operations. A breach of our information systems, such as the March 2021 cybersecurity incident **,** could subject us to litigation, including class action or derivative lawsuits, regulatory fines, and penalties, any of which could have a material adverse effect on our financial results or reputation. We have seen an increase in the number of cyberattacks due, in part, to the large number of our employees **and contractors** that are working and accessing our technology infrastructure remotely because of shifts in working arrangements ~~primarily as a result of the coronavirus pandemic~~ . In addition, the March 2021 cybersecurity incident may embolden other individuals or groups to target our information systems and impact the costs or ability for us to obtain adequate insurance coverages moving forward. Furthermore, continued geopolitical turmoil, including the Russia- Ukraine conflict, has heightened the risk of cyberattacks. **As discussed further below, the rapid evolution and increased adoption of artificial intelligence and machine learning technologies may intensify our cybersecurity risks.** We expend significant financial resources to protect against cyber threats and cyberattacks. We may be required to incur further costs to alleviate problems and remedy damage caused by physical, electronic and cybersecurity breaches ~~, including the potential for increased ongoing expenses related to the March 2021 cybersecurity incident,~~ and to address possible increased information system attacks as a result of the incident, which could have a material adverse effect on our business and financial results **. These events may not be insured against or may not be fully covered by any insurance maintained by us. Additionally, there is no assurance that the limitations of liability in any of our contracts would be enforceable or adequate to protect us from liabilities or damages as a result of a cyberattack or other cybersecurity incident** . As techniques used to breach security are growing in frequency and sophistication and are generally not recognized until launched against a target, we may not be able to implement security measures in a timely manner or, if and when implemented, these measures could be circumvented regardless of our expenditures and protection efforts. We could also be required to spend significant financial and other resources to remedy the damage caused by a security breach or to repair or replace networks and information systems, which could have a material adverse effect on our business and financial results. For example, we incurred certain incremental one- time costs of $ 2. 4 million in the year ended December 31, 2021 related to consultants, experts and data recovery efforts, net of insurance recoveries. Although we attempt to vigorously monitor and mitigate against cyber risks, including through leveraging multi- sourced threat intelligence and investing in new technologies, we may incur significant costs in protecting against or remediating cyberattacks or other cybersecurity incidents. Misuse, leakage or falsification of information could result in a violation of data privacy laws and regulations, including but not limited to, the European Union' s General Data Protection Regulation, California Privacy Rights Act, ~~which took effect on January 1, 2023, or~~ the Virginia Consumer Data Protection Act, **or the Colorado Privacy Act** ~~which took effect on January 1~~ , **may** ~~2023,~~ damage our reputation and credibility or expose us to increased risk of lawsuits, loss of existing or potential future customers and / or increases in our security costs **and compliance burden** , any of which could have a material adverse effect on our business and financial results **. Other jurisdictions in which we operate have enacted or are proposing similar laws and regulations related to data privacy** . In addition, we may suffer financial and reputational damage because of lost or misappropriated confidential information and may become subject to legal action and increased regulatory oversight or consumers may avoid our brands due to negative publicity. In the event of a breach resulting in loss of data, such as personally identifiable information or other such data protected by data privacy or other laws, even if encrypted, we may be liable for damages, fines and penalties for such losses under applicable regulatory frameworks despite not handling the data. Further, the regulatory framework around data custody, data privacy and breaches ~~varies by~~ **may be inconsistent from one** jurisdiction **to another** and is an evolving area of law. We may not be able to limit our liability or damages in the event of such a loss **. Finally, the SEC has adopted new rules that require us to provide greater disclosures around cybersecurity risk management, strategy and governance, as well as disclose the occurrence of material cybersecurity incidents. We cannot predict or estimate the amount of additional costs we will incur in order to comply with these rules or the timing of such costs. These rules and regulations may also require us to report a cybersecurity incident before we have been able to fully assess its impact or remediate the underlying issue. Efforts to comply with such reporting requirements could divert management' s attention from our incident response and could potentially reveal system vulnerabilities to threat actors. Failure to timely report incidents under these or other similar rules could also result in monetary fines, sanctions or subject us to other forms of liability. This regulatory environment is increasingly challenging, and may present material obligations and risks to our business, including significantly expanded compliance burdens, costs and enforcement risks** . The success of our business relies heavily on brand image, reputation, product quality and protection of intellectual property. It is important that we maintain and enhance the image and reputation of our existing brands and products, including our corporate purpose, mission and values. Concerns about product quality, even when unsubstantiated, could be harmful to our image and the reputation of our brands and products. While we have quality control programs in place, in the event we or our third- party manufacturers experience an issue with product quality or if any of our products become unsafe or unfit for consumption, are misbranded or cause injury, we may experience recalls or liability in addition to business disruption which could further negatively impact our brand image and reputation, negatively affect our sales and cause us to incur additional costs. A widespread product recall, multiple product recalls or a significant product liability judgment could cause our products to be unavailable for a period of time, which could further reduce consumer demand and brand equity. We also could be exposed to lawsuits relating to product liability, marketing or sales practices or intellectual property infringement. Our brand image and reputation may also be difficult to protect due to less oversight and control as a result of outsourcing some of our operations internationally or entering new or different product lines. If we are unable to address and uphold our plans with respect to our ESG initiatives or actions by and attitudes of regulators and the public health community, our image and brand equity may deteriorate, which may be difficult to combat or reverse and could have a material adverse effect on our business and financial results. In addition, because our brands carry family names or we may partner with celebrities or other famous sponsors, personal activities by certain members of the Molson or Coors families, our promotional partners or business partners that harm their public image or reputation could also have an adverse effect on our brands or our reputation. Our brand image ~~and~~ **,** reputation **and financial results** may be negatively impacted by our ability to navigate social media campaigns and trends in pursuit of various dynamic issues facing society on regional and global levels across the markets in which we operate. Further, our success is dependent on our ability to protect our intellectual property rights, including trademarks, patents, domain names, trade secrets and know- how. We cannot be certain that the steps we have taken to protect our intellectual property rights will be sufficient or that third parties will not infringe upon or misappropriate these rights or that other parties may claim that our brands infringe on their intellectual property rights. If we are unable to protect our intellectual property rights, it could have a material adverse effect on our business and financial results. The global beer industry and the broader alcohol industry are constantly evolving, and our position within the global beer industry and the success of our products in our markets may fundamentally change. If we do not successfully transform along with the evolving industry, market dynamics and consumer preferences, our business and financial results could be materially adversely affected. The brewing industry has significantly evolved over the years becoming an increasingly consolidated global beer market. For many years, the industry operated primarily on local presence with modest international expansion achieved through export, license and partnership arrangements. In contrast, it has now become increasingly complex and competitive as the consolidation of brewers has resulted in fewer major market participants. As a result of the increased global consolidation of brewers and the dynamic of an expanding new segment within the industry with new market entrants, the markets in which we operate, particularly the more mature markets, may evolve at a disadvantage to our current market position. In addition, local governments may intervene, which may fundamentally accelerate transformational changes to such markets. For example, the beer markets in the U. S. and Canada have long consisted of a select number of significant market participants with government- regulated routes to market. ~~However~~ **In Canada** , **changes to interprovincial trade rules, regulations, distribution models and packaging requirements, such as government- owned retail outlets and industry standard returnable bottles, may be disadvantageous to us. As discussed further below, in December 2023 the Province of Ontario announced a set of non- binding key principles (" Key Principles") concerning the intended features of the future marketplace for beer distribution and retail systems in the Province of Ontario.** ~~evolution~~ **Evolution** in **certain of** ~~these markets and~~ our ~~other~~ beer markets, together with emerging changes to consumer preferences, have resulted in a significant increase in market entrants, consumer choices and market competition, as well as increased government scrutiny. Our Coors Light and Miller Lite brands in the Americas, and Carling, Staropramen, **Coors, Madri,** ~~Ozujsko~~ **Ožujsko** , **and** Bergenbier ~~and Coors~~ brands in EMEA & APAC represented more than half of each respective segment' s sales volumes in ~~2022~~ **2023** . Additionally, several of our brands represent a significant share of their respective market and, therefore, continued volatility in these markets could disproportionately impact the performance of these brands. Consequently, any material shift in consumer preferences away from these brands, or from the categories in which they compete, could have a material adverse effect on our business and financial results. Furthermore, the broader alcohol industry is experiencing a shift in drinking preferences and behaviors of consumers due to, among others, changing taste preferences, changing demographics, downturns in economic conditions or perceived value, as well as changes in consumers' perception of our brands and the brands of our competitors due to negative publicity, regulatory actions or litigation. There has been more attention focused on health concerns and the harmful consumption of alcoholic beverages, which could result in a change in the social acceptability of beer and other alcoholic beverages, which could materially impact the consumption of beer, other alcoholic beverages and, consequently, our sales. If we are unsuccessful in evolving with, and navigating through, these changes to the markets in which we operate, there could be a material adverse effect on our business and financial results. Specifically, the markets in which we operate have experienced vast expansion in above premium products, specifically in flavored malt beverages (including hard seltzers), ready- to- drink beverages, spirit- based beverages, craft beer, cider, ~~CBD and other cannabis beverages~~ and other similar beverages. If our competitors are able to respond more quickly to the evolving trends within those and similar beverage categories, or if our new products in these categories are not successful, our business and financial results may be adversely impacted ~~. In addition, Canada has passed, and certain states in the U. S. have passed or are considering passing, laws and regulations that allow the sale and distribution of cannabis. It is not possible to predict the impact that widespread adoption of laws and regulations permitting the sale and distribution of cannabis may have on sales of our alcoholic beverages, but it is possible that legal cannabis usage could adversely impact the demand for our products. In Canada, changes to interprovincial trade rules, regulations, distribution models, and packaging requirements, such as government- owned retail outlets and industry standard returnable bottles, may be disadvantageous to us. Currently, in Ontario and other provinces, provincial governments are reviewing and, in some cases, changing this historical foundation as a result of this market evolution and increased demand by some for government' s intervention to remove distribution regulations, including potential changes to the beer distribution and the retail systems in Ontario as discussed below. In addition, along with other brewers in Canada, we currently use an industry standard returnable bottle which represents approximately 25 % of total volume sales (excluding imports) in Canada. Changes to the Industry Standard Bottle Agreement could impact our use of the industry standard returnable bottle. If we cease to use the industry standard returnable bottle in Canada, our current bottle inventory and a portion of our bottle packaging equipment could become obsolete and could result in a material write- off of these assets~~ . Our products also generally compete with other alcoholic beverages. We compete with other beer and alcoholic beverage companies not only for legal age drinker acceptance and loyalty, but also for shelf, cold box and tap space in retail establishments and for marketing focus by our distributors and their customers, all of which also distribute and sell other beers and alcoholic beverage products. If we do not successfully transform along with the evolving industry and market dynamics and consumer preferences, our business and financial results could be materially adversely affected. Competition in our markets could require us to reduce prices or increase capital and other expenditures or cause us to lose sales volume, any of which could have a material adverse effect on our business and financial results. In many of our markets, our primary competitors may have greater financial, marketing, production and distribution resources than we do, and may be more diverse in terms of their geographies and brand portfolios. Furthermore, our competitors may respond to industry and economic conditions and shifts in consumer behaviors more rapidly or effectively than us. In order for us to remain competitive, we will need to quickly and correctly adopt digital technologies, build analytical capabilities and scale brand expense investment levels, which our competitors may be able to achieve faster and with more resources. In all of the markets in which we operate, aggressive marketing strategies, such as reduced pricing, brand positioning, and increased capital or other investments by these competitors could have a material adverse effect on our business and financial results. In addition, continuing consolidation among major global brewers and between brewers and other beverage companies and convergence of beverage categories may lead to stronger or new competitors, loss of partner brands, negative impacts on our distributor networks, alternate distribution networks and pressures from marketing and pricing tactics by competitors. Further consolidation of distributors in our industry could reduce our ability to promote our brands in the markets in a manner that enhances rather than diminishes our brands' value, as well as reduce our ability to manage our pricing effectively and efficiently. Additionally, due to competition with brewers and other beverage companies, an increase in the purchasing power of our large competitors may cause further pricing pressures which could prevent us from increasing prices to recover higher costs necessary to compete. Such pressures could have a material adverse impact on our business and our financial results and market share. Failure to generate cost savings and margin improvement through our ongoing initiatives could adversely affect our profitability. Increased pressures for reduced pricing or difficulties in increasing prices while remaining competitive within our markets, as well as the need for increased capital investment, marketing and other expenditures could result in lower profitability or loss of market share and volumes. We may also face inflationary pressures that may negatively influence our or our competitors' prices and reduce margins on our products. Moreover, most of our major markets are mature, so growth opportunities may be more limited to us than to our global competitors who may already be in such markets. For example, net sales in our Americas segment accounted for approximately 81 % of our total ~~2022~~ **2023** net sales. As a result, to the extent that we are unable to maintain or grow our market share in our mature markets, our sales and, in turn, business and financial results could be materially and adversely affected. Our success as an enterprise depends on our ability to successfully and timely innovate beyond beer, and any inability to deliver new products could have a material adverse effect on our business and financial results. As part of our ~~revitalization~~ **Acceleration** ~~plan~~ **Plan** , our future ~~topline~~ growth will depend, in part, on our ability to timely innovate and develop new products beyond traditional beer. In connection with our ~~revitalization~~ **Acceleration** ~~plan~~ **Plan** , we plan to continue to innovate, test and scale products ~~faster than we have before~~ . In addition, we also rely on certain arrangements with partner brands for innovation, development and growth in new products beyond beer. However, the launch and ongoing success of new products are inherently uncertain, especially with respect to consumer appeal. The launch of a new product can give rise to a variety of incremental or ~~on~~ **one** - time costs and an unsuccessful launch or short- lived popularity of our product innovations could, among other things, affect consumer perception of our existing brands and our reputation as well as result in inventory write- offs and other costs. Our inability to attract consumers to our product innovations relative to our competitors' products, especially over time, could have a material adverse effect on our growth, business and financial results. Changes in the social acceptability, perceptions and the political view of the beverage categories in which we operate, including alcohol ~~and cannabis~~ , could adversely affect our business. In recent years, there has been an increase in public and political attention on health and well- being as they relate to alcoholic beverages and the other categories in which we operate **due in part to public concern over alcohol- related social problems** , including **driving under** ~~cannabis. In addition,~~ the **influence** ~~alcoholic beverage industry is regularly the subject of anti- alcohol activist activity related to health concerns from the harmful consumption of alcohol~~ , ~~concerns regarding~~ underage drinking ~~,~~ and exposure to alcohol advertisements **, and health consequences from the harmful use and misuse of alcohol** . Negative publicity regarding alcoholic beverages and changes in consumer perceptions in relation to beer ~~,~~ **or** other alcoholic ~~, CBD, or other cannabinoid~~ beverages could adversely affect the sale and consumption of our products, which could adversely affect our business and financial results ~~. The changing legal landscape with respect to cannabis and the lack of consumer market data makes it difficult to predict the pace at which the cannabis market may grow, if at all, and the products that consumers will purchase in the cannabis marketplace~~ . Additionally, the concerns around alcohol, ~~CBD and cannabis~~ as well as health and well- being **,** could result in unfavorable regulations or other legal requirements in certain markets in which we operate, such as advertising, selling and other restrictions, increased taxes associated with our sales, or the establishment of minimum unit pricing. Any such regulations or requirements could change consumer and customer purchasing patterns and may require us to incur significant compliance costs, which could negatively impact our business and financial results. In particular, advocates of prohibition and other severe restrictions on the marketing and sales of alcohol are becoming increasingly organized and coordinated on a global basis, seeking to impose laws or regulations or to bring actions against us, to substantially curtail the consumption of alcohol, including beer, in developed and developing markets **. Further, the alcohol industry may be criticized and experience an increase in the number of publications and studies, as well as lobbying efforts, arguing there is no safe level of alcohol consumption** . To the extent such views gain traction in regulations of jurisdictions in which we do or plan to do business, they could have a material adverse effect on our business and financial results. For example, in February 2021, the European Union published its Europe Beating Cancer Plan. As part of the plan, ~~by the end of 2023,~~ the European Union has indicated it ~~will~~ **may** issue a proposal for mandatory health warnings on alcohol beverage product labels. In addition, Ireland passed a law requiring new health warning labels on our products. **Artificial intelligence presents challenges that can impact our business by posing security risks to confidential or proprietary information and personal data. The use of artificial intelligence, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations. Molson Coors may adopt and integrate artificial intelligence tools into our systems for specific use cases after review by legal and information security. Our vendors and third- party partners may incorporate artificial intelligence tools into their offerings with or without disclosing this use to us. The providers of these artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards concerning privacy and data protection, which may result in a loss of intellectual property or confidential information and / or cause harm to our reputation and the public perception of the effectiveness of our security measures. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information and adversely impact our business.** Due to a high concentration of workers represented by unions or trade councils, we could be significantly affected by labor strikes, work stoppages or other employee- related issues. As of December 31, ~~2022~~ **2023** , approximately ~~31~~ **30** % and 24 % of our Americas and EMEA & APAC workforces, respectively, are represented by trade unions or councils. Stringent labor laws in certain of our key markets expose us to a greater risk of loss should we experience labor disruptions in those markets **. From time to time, our collective bargaining agreements come due for renegotiation, and, if we are unable to timely complete negotiations, affected employees may strike, which could have an adverse effect on our business and**

financial results. Furthermore, there may be additional work stoppages, unionization efforts or other employee- related issues, either prior to or following the expiration of these agreements, each of which could significantly affect our business and financial results . A prolonged labor strike, work stoppage, unionization efforts or other employee- related issues could have a material adverse effect on our business and financial results. For example, in the first few months of 2021, we experienced a labor disruption with our Toronto brewery unionized employees resulting from on ~~-~~going negotiations of the collective bargaining agreement **which** ~~. This labor disruption~~ resulted in slightly slower than expected production at the Toronto brewery in the first few months of 2021. **In addition** ~~From time to time~~ , ~~our collective bargaining agreements come due for renegotiation, and, if we are unable to timely complete negotiations, affected employees may strike, which could have an adverse effect on our business and financial results. There were four collective bargaining agreements in Québec that expired~~ at ~~the end of 2021. In late 2021 and in 2022, we began negotiating one of these collective bargaining agreements with our Montreal unionized distribution and brewery employees. At~~ the end of March through mid- June 2022, approximately 400 unionized employees in our Montreal / Longueuil, Québec brewery and distribution centers went on strike, which adversely affected our business, operations and financial results during the second and third quarters of 2022. ~~As of the third quarter of~~ **Furthermore, on February 17,** ~~2022~~ **2024** , **the Teamsters Local 997 initiated a strike at our Fort Worth, Texas brewery in the U. S. We have contingency plans in place designed to mitigate the potential financial impact and** we **remain committed to reaching an** ~~successfully negotiated all four collective bargaining agreements~~ - **agreement** ~~in Québec~~ that **is fair to both** ~~expired at the end of 2021. Two of the four~~ - **our** ~~collective bargaining agreements in Québec expire on December 31, 2026 and the remaining two collective bargaining agreements expire on December 31, 2027. Despite these new agreements, there may be additional labor strikes, work stoppages, unionization efforts or other employee~~ **employees and** ~~- related issues, either prior~~ to ~~or following the expiration of these~~ -- **the Fort Worth brewery** ~~agreements, each of which could significantly affect our business and financial results~~ . ESG issues **and regulations** , including those related to climate change and sustainability, **and stakeholder response thereto** may have an adverse effect on our business, financial condition and results of operations and damage our reputation. Companies across all industries are facing increasing scrutiny relating to their ESG practices and policies **. The landscape related to ESG regulation, compliance, and reporting is constantly evolving, including expanding in scope and complexity. For example, the SEC, the State of California, and the European Commission have published proposed or final rules, including the European Commission' s Corporate Sustainability Reporting Directive, that would require significantly increased disclosures related to climate change and other issues. We may experience significant future cost increases associated with regulatory compliance for ESG matters, including fees, licenses, reporting, and the cost of capital improvements for our operating facilities to meet environmental regulatory requirements** . Increased focus and activism related to ESG may hinder our access to capital or negatively impact our stock price, as investors may reconsider their capital investment based on their assessment of our ESG practices and policies. In particular, investor advocacy groups, institutional investors, stockholders, employees, consumers, customers, regulators, proxy advisory services and other market participants have increasingly focused on ESG practices and policies of companies ~~, including sustainability performance and risk mitigation efforts~~ . These stakeholders have placed increased importance on ESG practices and their effect on companies from an investor, consumer, customer or employee perspective. If our ESG practices do not meet investor or other stakeholder expectations and standards or evolving regulatory requirements, our stock price, brand, sales, ability to access capital markets, reputation and employee retention, among other things, may be negatively affected. In addition, ~~as part of Our Imprint 2025 strategy,~~ we **have** published goals across a range of ESG areas, including environmental sustainability **, greenhouse gas emissions,** and diversity, equity and inclusion (" DEI") matters. **Although we** intend to meet these goals,we may be required to expend significant resources to do so,which could increase our operational costs.In addition,we could be criticized for the scope or nature of these goals,or for any revisions to our goals.Moreover,we may determine that it is in the best interest of our Company and our stockholders to prioritize other business,social,governance or sustainable investments over the achievement of our current goals based on economic,technological developments,regulatory and social factors,business strategy or pressure from investors,activist groups or other stakeholders. ~~If we~~ If we do not adapt to or comply with new ESG regulations, such as those related to climate change, carbon emissions and related ESG disclosure requirements, or fail to meet the ESG goals under Our Imprint 2025 strategy or evolving investor, industry or stakeholder expectations and standards, or if we are perceived (whether or not valid) to have not responded appropriately to the growing **and various** ~~concern~~ **concerns** for ESG issues, customers and consumers may choose to stop purchasing our products or purchase products from a competitor, and our reputation, business or financial results may be adversely affected. ~~Although~~ **Further, if** we intend to meet these goals, we...... meet these goals, then we could incur adverse publicity and reaction from investors, activist groups or other stakeholders **related to our ESG efforts and goals** , ~~which could adversely impact~~ the perception of us and our products and services by current and potential customers, as well as investors, **could be adversely impacted** which could adversely impact our business and financial results. Climate change and other weather events may negatively affect our business and financial results. There is concern that ~~a gradual~~ **the continuing** increase in global average temperatures could cause significant changes in global weather patterns and an increase in the frequency and severity of natural disasters. Global climate change could have various impacts on our operations, ranging from more frequent extreme weather events to extensive governmental policy developments, which have the potential individually or collectively to significantly disrupt our business as well as negatively affect our suppliers, supply chain and customers. Changing weather patterns and more volatile weather conditions could result in decreased agricultural productivity in certain regions that may impact quality, limit availability or increase the cost of key agricultural commodities, such as hops, barley and other cereal grains, which are important ingredients for our products. Increased frequency or duration of extreme weather conditions, including power disruptions **and / or water availability implications** due to the foregoing, could also impair production capabilities, disrupt our supply chain, distribution networks and routes to market, or impact demand for our products, any of which may cause us to experience additional costs to maintain or resume operations. Public concern over climate change has resulted in, and may continue to result in, new or increased regional, federal and global legal and regulatory requirements, including taxation, to reduce or mitigate carbon emissions and to limit or impose additional costs on carbon and water usage or other climate- related objectives. In the event that such regulation is more stringent than current regulatory obligations, or the measures that we are currently undertaking to monitor and improve our resource efficiency, we may experience disruptions in, or increases in our costs of, operation and delivery to comply with new regulatory requirements due to investments in facilities and equipment or the relocation of our facilities. If we or our suppliers are required to comply with these laws and regulations, or if we choose to take additional voluntary steps to reduce or mitigate our impact on the climate, we may experience increased costs for energy, production, transportation, and raw materials, increased capital expenditures, or increased insurance premiums and deductibles, each of which could adversely impact our operations. In particular, proposed, new or inconsistent regulation and taxation of fuel and energy could increase the cost of complying with such laws and regulations as well as the cost of operation, including fuel required to operate our facilities or transport and distribute our products, thereby increasing the distribution and supply chain costs associated with our products. Any assessment of the potential impact of future climate change legislation, regulations or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change in the countries in which we operate. Beyond the commercial pressures implicated by climate change concerns, our operations may face potential adverse physical effects. For example, we have a major brewery in the state of Colorado, which ~~has recently~~ experienced several significant wildfires **in 2022** , and we have another major brewery in Texas, which experienced a severe winter weather event in 2021. If any of our properties and production facilities experience a significant operational disruption or catastrophic loss due to natural disasters or severe weather events, it could delay or disrupt production, shipments, and revenue, and result in potentially significant expenses to repair or replace these properties, which may negatively affect our business and financial results. An inadequate supply or availability of quality water could have a material adverse effect on, among other things, our sales, production processes, other costs and, in turn, profitability. Quality water is a key ingredient in our brewing process. Clean water is a limited resource in many parts of the world and climate change may increase water scarcity and cause a deterioration of water quality in areas where we maintain brewing operations. The competition for water among domestic, agricultural and manufacturing users is increasing in some of our brewing communities and communities in which we or our suppliers manufacture our other products. Even where water is widely available, water purification **, regulatory requirements,** and waste treatment infrastructure limitations could increase costs or constrain our operations. Further, unavailability of clean water at our breweries or our other facilities or the facilities of our suppliers could limit our ability to brew, which could cause a decrease in production. We have substantial brewery operations in the states of Colorado and Texas, which have been areas vulnerable to water scarcity conditions. Certain western states in the U. S. are experiencing an extended drought, which can impact the quality and quantity of agricultural ingredients such as barley and hops. The continuation or recurrence of such conditions could have an adverse effect upon our agricultural supply chain. We and our suppliers are dependent on sufficient amounts of quality water for operation of our breweries and key facilities and the key facilities of our significant suppliers. The suppliers of the agricultural raw materials we purchase are also dependent upon sufficient supplies of quality water for their fields. A substantial reduction in water in certain agricultural areas could result in material losses of crops, such as barley or hops, which could lead to a shortage of our product supply. If water available to our operations or the operations of our suppliers becomes scarce or the quality of that water deteriorates, we may incur increased production costs **that we are unable or choose not to pass along to distributors through increased prices,** or face production constraints, which could adversely affect our business and financial results. We depend on key personnel, the loss of whom could harm our business, and labor shortages, employee turnover and wage increases could significantly impact our operations. The loss of the services and expertise of any key employee **, or multiple members of senior management at the same time,** could harm our business. Our future success depends on our ability to identify, attract and retain qualified personnel on a timely basis. If we were to experience turnover of **any key employee or multiple members of** senior management **at the same time,** or if a member **or members** of our senior management were to become ill or incapacitated, our stock price, our results of operations, our commercial and supply chain operations and our vendor or customer relationships could each be adversely impacted and such events may make recruiting for future management positions more difficult. The labor market for many of our employees is very competitive, and wages and compensation costs continue to increase. Our ability to attract and retain key talent has been, and may continue to be, impacted by challenges in the labor market, ~~particularly in the U. S.,~~ which has recently been experiencing wage inflation, labor shortages, **and** a continued shift toward remote work ~~and the continued effects of the coronavirus pandemic~~ . In addition, labor costs ~~in the U. S.~~ are rising and our industry is experiencing a shortage of qualified workers. If we face labor shortages and / or increased labor costs as a result of increased competition for employees, higher employee turnover rates, or increases in employee benefits costs, our operating expenses could increase, which could negatively impact our growth and results of operations. Labor shortages, higher employee turnover rates and labor union organizing efforts could also lead to disruptions in our business, as discussed above. In addition, we must successfully integrate any new management personnel that we hire within our organization, or who join our organization as a result of an acquisition, in order to achieve our operating objectives, and changes in other key management positions may temporarily affect our financial performance and results of operations as new management becomes familiar with our business. Because of our reliance on third-party service providers and internal and outsourced systems for our information technology and certain other administrative functions, we could experience a disruption to our business. We rely extensively on information services providers worldwide for our information technology functions including network, help desk, hardware and software configuration. Additionally, we rely on internal networks and information systems and other technology, including the internet and third- party hosted services, to support a variety of business processes and activities, including procurement and supply chain, manufacturing, distribution, invoicing and collection of payments. We use information systems for certain human resource activities and to process our employee benefits, as well as to process financial information for internal and external reporting purposes and to comply with various reporting, legal and tax requirements. As information systems are critical to many of our operating activities, our business may be impacted by system shutdowns, service disruptions, obsolescence, or security threats or breaches. Furthermore, the importance of such information technology systems and networks has increased due to many of our employees working remotely as a result of our changing workplace dynamics. Additionally, if any of our significant service providers were to fail and we were unable to find a suitable replacement in a timely manner, we could be unable to properly administer our outsourced functions, which could disrupt our business and adversely affect our financial results ~~. Impacts related to the coronavirus pandemic have disrupted, and may continue to disrupt our operations, which has had and could continue to have a material adverse effect on our business and financial results. The global coronavirus pandemic created significant volatility, uncertainty and economic disruption. Our business has been and could continue to be, materially and adversely affected by the coronavirus pandemic and related weak, or weakening of, economic or other conditions, particularly in regions where we derive a significant amount of our revenue or profit or where our suppliers and business partners are located, including those in regions of our Americas segment and EMEA & APAC segment. Therefore, unfavorable macroeconomic conditions, including as a result of the coronavirus pandemic and any resulting recession or slowed economic growth, have had, and could continue to have, an outsized negative impact on us, including changes in consumer behavior as a result of the coronavirus pandemic and related governmental or societal impositions of restrictions on public gatherings. Moreover, our operations could be disrupted by labor shortages due to our employees or employees of our business partners, including our supply chain partners, being diagnosed with the coronavirus or its related variants. The extent to which the coronavirus pandemic continues to impact our results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the resurgence of the coronavirus and its related variants, the efficacy of the vaccine and related vaccination efforts and the impact on the economic activity and regulatory actions taken to mitigate the impacts of the coronavirus pandemic. The potential resurgence of the coronavirus pandemic or other diseases that impact regional or global markets in which we operate may have a material adverse effect on our business and financial results. Further, the impact of the coronavirus pandemic may also exacerbate other risks discussed in Part I, Item 1A," Risk Factors" in this Annual Report on Form 10- K~~ . Poor investment performance of pension plan holdings and other factors impacting pension plan costs and contributions could unfavorably affect our business, liquidity and our financial results. Our costs of providing defined benefit pension plans are dependent upon a number of factors, such as the rates of return on the plans' assets, discount rates, the level of interest rates used to measure the required minimum funding levels of the plans, exchange rate fluctuations, government regulation, court rulings or other changes in legal requirements, global equity prices, and our required and / or voluntary contributions to the plans. Although we comply with the minimum funding requirements, we have certain qualified pension plans with obligations which exceed the value of the plans' assets. These funding requirements also may require contributions even when there is no reported deficit. Without sustained growth in the pension investments over time to increase the value of the plans' assets, and depending upon the other factors as listed above, we could be required to fund the plans with significant amounts of cash. Such cash funding obligations (or the timing of such contributions) could have a material adverse effect on our cash flows, credit rating, cost of borrowing, financial position and / or results of operations. Risks Related to Our Indebtedness, Capital Structure and Financial Condition Our ~~significant~~ debt level subjects us to financial and operating risks, and the agreements governing such debt subject us to financial and operating covenants and restrictions. Our indebtedness subjects us to various financial and operating covenants, including, but not limited to, restrictions on priority indebtedness, leverage thresholds, liens, certain types of secured debt and certain types of sale lease- back transactions and transfers of assets, each of which may limit our flexibility in responding to our business needs. If we are not able to maintain compliance with stated financial covenants or if we breach other covenants in any debt agreement, we could be in default under such agreement or trigger a cross- default of other debt instruments. Such a default would adversely affect our credit ratings, may allow our creditors to accelerate the related indebtedness, and may result in the acceleration of any other indebtedness to which a cross- acceleration or cross- default provision applies. Our ~~significant~~ **current and future** debt ~~level~~ **levels** and the terms of such debt could, among other things: • make it more difficult to satisfy our obligations under the terms of our indebtedness; • limit our ability to refinance our indebtedness on terms acceptable to us, or at all **,** ~~; • limit our~~ **or** ~~flexibility to plan for and adjust to changing business and market conditions, including successfully execute our revitalization plan, and increase our vulnerability to general adverse economic and industry conditions, such as the economic climate caused by the Russia- Ukraine conflict; • require us to make unfavorable changes to our financing structure; • require us to dedicate a substantial portion of our cash flow to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund strategic opportunities, including acquisitions or other investments, working capital, business activities, and other general corporate requirements; • limit our ability to~~ obtain additional financing for working capital, capital expenditures, strategic opportunities, including acquisitions or other investments, to fund growth or for general corporate purposes, even when necessary to maintain adequate liquidity **; • limit our flexibility** ~~, particularly if any ratings assigned~~ to **plan for and adjust to changing business and market conditions, including successfully execute our Acceleration Plan, and increase our vulnerability to general adverse economic and industry conditions; • require us to make unfavorable changes to our financing structure or require us to dedicate a substantial portion of our cash flow to make interest and principal payments on** our debt ~~securities by rating organizations were revised downward~~ **, thereby limiting the availability of our cash flow to fund strategic opportunities, including acquisitions or other investments, working capital, business activities, and other general corporate requirements** ; and • adversely impact our competitive position in the industry. In addition, certain of our current and future debt and derivative financial instruments have or, in the future, could have interest rates that are tied to reference interest rates. The volatility and availability of such reference rates are out of our control ~~. Additionally, the discontinuation, replacement or reform of the London Interbank Offered Rate (" LIBOR "), could affect our interest rates and financing costs. LIBOR is being discontinued and is scheduled to be fully phased- out by June~~

~~2023. In October 2021, we amended the agreement governing our revolving credit facility and replaced LIBOR as the reference interest rate with the Sterling Overnight Index Average (" SONIA "), for borrowings denominated in Pound Sterling and the Euro Interbank Offered Rate (" EURIBOR "), for borrowings denominated in Euros. It is unclear, however, if alternative rates or benchmarks, such as SONIA and EURIBOR, will be widely adopted, and this uncertainty may impact the liquidity of the SONIA and EURIBOR debt markets. SONIA and EURIBOR may be more volatile than LIBOR, and there may be uncertainty as to the nature of alternative reference rates or as to the calculation of the applicable interest rate or payment amounts under the terms of an agreement or instrument that utilizes such rates or benchmarks. We have strategized and may continue to strategize and amend any current or future contracts to accommodate this transition away from LIBOR. While we do not expect the transition from LIBOR~~ and the risks related thereto ~~to~~ **could** have a material adverse effect on us ~~, it remains uncertain at this time~~ . A deterioration in our credit rating could increase our borrowing rates or have an adverse effect on our ability to obtain future financing or refinance current debt. Ratings agencies may downgrade our credit ratings below their current investment grade levels if we are, or are at risk of being, unable to meet our deleveraging commitments. Although we have publicly expressed our intention to maintain an investment grade debt rating, ratings are determined by third- party rating agencies and in some cases the events that may cause us to suffer a ratings downgrade are unpredictable and outside of our control, such as the ~~economic~~ **macroeconomic** climate ~~caused by the coronavirus pandemic and its impact on our~~ - **or** ~~business~~ **political instability** . A credit ratings downgrade, particularly a downgrade below investment grade, could increase our costs of future borrowing, negatively impact our hedging instruments or sources of short- term liquidity and harm our ability to refinance our debt in the future on acceptable terms or access the capital markets. Deterioration of our credit rating may also raise governance issues within the Company and with external regulators. Default by, or failure of, one or more of our counterparty financial institutions could cause us to incur significant losses. As part of our risk management activities, we enter into transactions involving derivative financial instruments, including, among others, forward contracts, commodity swap contracts and option contracts, with various financial institutions. In addition, we have significant amounts of cash and cash equivalents on deposit or in accounts with banks or other financial institutions in the U. S. and abroad. As a result, we are exposed to the risk of default by, or failure of, counterparty financial institutions. The risk of counterparty default or failure may be heightened during economic downturns and periods of uncertainty in the financial markets ~~, including as a result of the coronavirus pandemic~~ . If one of our counterparties were to become insolvent or file for bankruptcy, our ability to recover losses incurred as a result of default or to retrieve our assets that are deposited or held in accounts with such counterparty may be limited by the counterparty' s liquidity or the applicable laws governing the insolvency or bankruptcy proceedings. We may incur impairments of the carrying value of our goodwill and other intangible assets which could have a material adverse effect on our ~~business and~~ financial results. In connection with various business combinations, we have historically allocated material amounts of the related purchase prices to goodwill and other intangible assets that are considered to have indefinite useful lives. For example, as a result of our acquisition in October 2016 of the remaining portion of MillerCoors LLC (which we refer to as the" **MillerCoors** Acquisition"), we allocated approximately $ 6. 3 billion and $ 7. 6 billion to goodwill and indefinite- lived intangible assets, respectively. These assets are tested for impairment at least annually, using estimates and assumptions affected by factors such as economic and industry conditions and changes in operating performance. Additionally, in conjunction with the brand impairment tests, we also reassess each brand' s indefinite- life classification. Potential resulting charges from an impairment of goodwill or brand intangible, as well as reclassification of an indefinite- lived to a definite- lived brand intangible, could have a material adverse effect on our results of operations. For example, the results of our **2022** annual goodwill impairment testing ~~completed as of October 1, 2022,~~ indicated that the fair value of our Americas reporting unit was below its carrying value. As a result, we recorded a partial impairment charge of $ 845. 0 million ~~recorded~~ within goodwill impairment, in our consolidated statements of operations during the fourth quarter of 2022 ~~. Furthermore, in the fourth quarter of 2020, we recorded an impairment charge of approximately $ 1. 5 billion related to our EMEA & APAC reporting unit~~ . As of the year ended December 31, ~~2022~~ **2023** , ~~the Americas reporting unit was partially impaired and~~ the EMEA & APAC reporting unit was fully impaired **while the Americas reporting unit had $ 5. 3 billion of goodwill remaining** . Our most recent impairment analysis, conducted as of October 1, ~~2022~~ **2023** , the first day of our fiscal fourth quarter, indicated that the carrying value of the ~~Americas reporting unit~~ **Staropramen family of brands indefinite- lived intangible asset** was determined to be in excess of its fair value such that ~~an~~ **a partial** impairment ~~loss~~ **charge** of $ ~~845~~ **160** . ~~0~~ **7** million was recorded. ~~Due to~~ **In addition, as a result of** the current year testing ~~that resulted in a partial impairment~~ , it was determined that the ~~fair value of the~~ Americas reporting unit ~~is considered to be~~ **and the Staropramen family of brands indefinite- lived intangible asset are** at **a heightened** risk of future impairment in the event of significant unfavorable changes in the forecasted cash flows (including ~~macroeconomic risks like the continued prolonged weakening of economic conditions and cost inflation along with company~~ **Company** - specific risks like the performance of our above **-** premium transformation efforts **, expansion in products beyond beer** and overall market performance **, including execution** of **strategic initiatives for** ~~new innovations and our expansion in products beyond~~ the ~~- beer aisle~~ **Staropramen family of brands, along with macroeconomic risks like the continued prolonged weakening of economic conditions and cost inflation** , or significant unfavorable changes in income tax rates, environmental or other regulations, including interpretations thereof), terminal growth rates, market multiples **and /** or weighted- average cost of capital utilized in the discounted cash flow analyses. **The** ~~Although the~~ fair values of our **Americas reporting unit and** indefinite- lived intangible assets are ~~in excess of their carrying values, the fair values are~~ sensitive to the aforementioned potential **unfavorable** changes that could have an adverse impact on future analyses. Any future impairment of the Americas reporting unit or our indefinite- lived intangible assets, or reclassification of indefinite- lived intangible assets to definite- lived, may result in material charges that could have a material adverse effect on our ~~business and~~ financial results, as evidenced by the charges incurred during the fourth ~~quarter~~ **quarters** of **2023 and** 2022 ~~and 2020~~ , as previously noted above. The testing of our goodwill for impairment is also predicated upon our determination of ~~the~~ **our** reporting units. Any change to the conclusion of our reporting units or the aggregation of components within our reporting units could result in a different outcome to our annual impairment test. See Part II — Item 7 Management' s Discussion and Analysis of Financial Condition and Results of Operations," Critical Accounting Estimates" and Part II — Item 8 Financial Statements and Supplementary Data, Note 6," Goodwill and Intangible Assets" for additional information related to the results of our annual impairment testing. The estimates and assumptions on which our financial projections are based may prove to be inaccurate, which may cause our actual results to materially differ from such projections, which may adversely affect our future profitability, cash flows and stock price. Our financial projections, including any sales or earnings guidance or outlook we may provide from time to time, are dependent on certain estimates and assumptions related to, among other things, our ~~revitalization~~ **Acceleration** ~~plan~~ **Plan** , category growth, development and launch of innovative new products, market share projections, product pricing, sales, volume and product mix, foreign exchange rates and volatility, tax rates, interest rates, commodity prices, distribution through truck versus railcar, cost savings, accruals for estimated liabilities, including litigation reserves, measurement of benefit obligations for pension and other postretirement benefit plans, and our ability to generate sufficient cash flow to reinvest in our existing business, fund internal growth, repurchase our stock, make acquisitions, invest in joint ventures, pay dividends and meet debt obligations. In addition, our ability to achieve our ~~revitalization~~ **Acceleration** ~~plan~~ **Plan** goals, and the anticipated ~~cost savings and other~~ benefits ~~of our restructuring activities~~ , are subject to various assumptions and uncertainties. There is no assurance that we will fully realize the anticipated **financial impacts** ~~costs and other benefits of our restructuring activities~~ or execute successfully on our ~~revitalization~~ **Acceleration** ~~plan~~ **Plan** in the time frames we desire or at all. Our financial projections are based on historical experience and on various other estimates and assumptions that we believe to be reasonable under the circumstances and at the time they are made, and our actual results may differ materially from our financial projections ~~, especially in light of the increased difficulty in making such estimates and assumptions as a result of the coronavirus pandemic~~ . Any material variation between our financial projections and our actual results may adversely affect our future profitability, cash flows and stock price. Risks Related to Our Dependence on Third Parties We rely on a small number of suppliers to obtain the input materials, in particular the packaging materials, we need to operate our business. The inability to obtain materials or disruptions at the facilities of our suppliers could unfavorably affect our ability to produce our products, which could have a material adverse effect on our business and financial results. We purchase certain types of input and other packaging materials, including aluminum cans and bottles, glass bottles, paperboard and carbon dioxide from a small number of suppliers. The demand for such input materials in the beverage industry has significantly increased, and there has been a shortage of capacity and increases in costs. In addition, consolidation of packaging materials suppliers has reduced local supply alternatives and increased risks of supply disruptions. The inability of any of these suppliers to meet our production requirements without sufficient time to develop an alternative source could have a material adverse effect on our business and financial results. Additionally, if the financial condition of these suppliers deteriorates, our business and financial results could be adversely impacted. Our suppliers' financial condition is affected in large part by conditions and events that are beyond our and their control, including: • competitive and general market conditions in the locations in which they operate; • the availability of capital and other financing resources on reasonable terms; • loss of major customers; • disruptions of ~~bottling~~ operations that may be caused by strikes, work stoppages, labor unrest or natural disasters; • the **increase in** price of certain ingredients and raw materials used in our products ~~to increase and / or we may experience disruptions to our operations~~ ; or • any of the foregoing, among other things, as a result of the ~~coronavirus pandemic~~ **Russia- Ukraine conflict** or otherwise ~~. A deterioration of the financial condition or results of operations of one or more of our major suppliers could adversely affect our business and financial results~~ . Termination or changes of one or more manufacturer, distribution or production agreements, or issues caused by our dependence on the parties to these agreements, could have a material adverse effect on our business and financial results. We manufacture and distribute products of other beverage companies through various joint venture, licensing, distribution, contract brewing or other similar arrangements, such as our agreement to produce, import, market, distribute and sell certain Heineken brands in Canada, and our arrangements with ABI to brew and distribute Beck' s, Stella Artois, and Lowenbrau and to distribute Hoegaarden, Leffe, and Corona in Central Europe. We also have agreements with Asahi for the production and import of Pilsner Urquell and Peroni Nastro Azurro into the U. S. under a perpetual royalty- free license. In addition, we **also have** ~~produce, market, sell and distribute the Topo Chico Hard Seltzer and Simply Spiked branded products pursuant to~~ authorizations from The Coca- Cola Company **that grant us the right to produce, market, sell and distribute Topo Chico Hard Seltzer and Simply Spiked branded products in the U. S. and Canada, and Peace Hard Tea branded products in the U. S** . These agreements have varying expiration dates and performance criteria, with several agreements approaching expiration in the near future. The non- renewal or loss of one or more of these arrangements, because of failure to perform or failure to agree to terms of an extension, or as a result of industry consolidation or otherwise, could have a material adverse effect on our business and financial results. As part of our efforts to streamline operations and to manage capital investments, we outsource aspects of our manufacturing processes and other functions and continue to evaluate additional outsourcing. If our contract manufacturers or other outsourcers fail to perform their obligations in a timely manner or at satisfactory quality levels, our ability to bring products to market and our reputation could suffer. For example, during a market upturn, our contract manufacturers may be unable to meet our demand requirements, which may preclude us from fulfilling our customers' orders on a timely basis. The ability of these third parties to perform is largely outside of our control. If one or more of these parties experiences a significant disruption in services or institutes a significant price increase, we may have to seek alternative providers, which could increase our costs or prevent or delay the delivery of our products. Further, our business includes various joint venture and industry agreements which standardize parts of the supply chain system. An example includes our warehousing and customer delivery systems in Canada organized under joint venture agreements with other brewers. Any negative change in these agreements or material terms within these agreements could have a material adverse effect on our business and financial results. Risks Related to Legal Matters, Governmental Regulations and our International Operations Unfavorable outcomes of legal or regulatory matters may adversely affect our business and financial condition and damage our reputation. We are from time to time involved in or subject to a variety of litigation, claims, legal or regulatory proceedings or matters related to our business **, the alcohol industry in general** , our advertising and marketing practices, product claims, product labeling and ingredients, our intellectual property rights, alleged infringement or misappropriation by us of intellectual property rights of others, tax, environmental, privacy, insurance, ERISA and employment matters. Such matters, even those that are ultimately non- meritorious, can be complex, costly, and highly disruptive to business operations by diverting the attention and energies of management and other key personnel, and may generate adverse publicity that damages our reputation or brand image. The assessment of the outcome of such matters, including our potential liability, if any, is a highly subjective process that requires judgments about future events that are not within our control and are based on the information available to management at that time. The outcome of such matters, including amounts ultimately received or paid upon judgment or settlement, may differ materially from management' s outlook or estimates, including any amounts accrued in the financial statements. Actual outcomes, including judgments, awards, settlements or orders, could have a material adverse effect on our business, financial condition, operating results, or cash flows and damage our corporate reputation and our brands. Our operations in developing and emerging markets expose us to additional risks, which could harm our business and financial results. We continue to operate in developing and emerging markets. In certain of these markets, we have limited operating experience and may not succeed. In addition to risks described elsewhere in this report, our operations in these markets expose us to additional heightened risks, including: • changes in local political, economic, social and labor conditions; • restrictions on foreign ownership and investments; • repatriation of cash earned in countries outside the U. S.; • import and export requirements; • increased costs to ensure compliance with complex foreign laws and regulations; • currency exchange rate fluctuations; • a less developed and less certain legal and regulatory environment, which among other things can create uncertainty with regard to liability issues; • longer payment cycles, increased credit risk and higher levels of payment fraud; • increased exposure to global disease outbreaks or pandemics ~~, such as the coronavirus pandemic~~ ; and • other challenges caused by distance, language, and cultural differences. In addition, as a global company, we are subject to foreign and U. S. laws and regulations designed to combat governmental corruption, including the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act and the U. K. Proceeds of Crime Act. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business and prohibitions on our ability to offer our products and services in one or more countries, each of which could have a materially negative effect on our reputation, brands and our operating results. Although we have implemented policies and procedures designed to ensure compliance with these foreign and U. S. laws and regulations, including the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act, there can be no assurance that our employees, business partners or agents will not violate our policies and procedures. Changes to the regulation of the distribution systems for our products could adversely affect our business and financial results. Many countries in which we operate regulate the distribution of alcohol products and if those regulations were changed, it could alter our business practices and have a material adverse effect on our business and financial results. For example, in the U. S. market, there is a three- tier distribution system that governs the sale of malt beverage products. That system, requiring separation of manufacturers, distributors and retailers, dates back to the repeal of prohibition and is periodically subject to legal challenges. To the extent that such challenges are successful and change the three- tier system, including through the expansion of e- commerce and direct- to- consumer offerings, such changes could have a material adverse effect on our Americas segment results of operations. Further, in Canada, our products are required to be distributed through each province' s respective provincial liquor board. Additionally, in certain Canadian provinces, we rely on our joint venture arrangements with BRI and BDL to distribute our products via retail outlets that are mandated and regulated by provincial government regulators. BRI owns and operates commercial retail outlets, known as The Beer Store, in Ontario, and BDL facilitates the distribution of our products in the western Canadian provinces. If provincial regulation should change, the costs to adjust our distribution methods could have a material adverse effect on our business and financial results. Our consolidated financial statements are subject to fluctuations in foreign exchange rates, most significantly the Canadian dollar and the European operating currencies such as, Euro, British Pound, Czech Koruna, ~~Croatian Kuna,~~ Serbian Dinar, New Romanian Leu, Bulgarian Lev and Hungarian Forint. We hold assets and incur liabilities, earn revenues and pay expenses in different currencies, most significantly in Canada and throughout Europe. Because our financial statements are presented in USD, we must translate our assets, liabilities, income and expenses into USD. Increases and decreases in the value of the USD will affect, perhaps adversely, the value of these items in our financial statements, even if their local currency value has not changed. Additionally, we are exposed to currency transaction risks related to transactions denominated in currencies other than one of the functional currencies of our operating entities, such as the purchase of certain raw material inputs or capital expenditures, as well as sales transactions and debt issuances or other incurred obligations. Further, certain actions by the government of any of the jurisdictions in which we operate could adversely affect our results and financial position. To the extent that we fail to adequately manage these risks through our risk management policies intended to protect our exposure to currency movements, which may affect our operations, including if our hedging arrangements do not effectively or completely hedge changes in foreign currency rates, our results of operations may be materially and adversely affected. For instance, the strengthening of the USD against the Canadian dollar, European currencies and various other global currencies would adversely impact our USD reported results due to the impact on foreign currency translation. Changes in tax, environmental, trade or other regulations or failure to comply with existing licensing, trade and other regulations could cause volatility or have a material adverse effect on our business and financial results. Our business is highly regulated by national, state, provincial and local laws and regulations in various jurisdictions regarding such matters as tariffs, licensing requirements, trade and pricing practices, **taxation,** labeling, advertising, promotion and marketing practices, relationships with distributors, environmental matters, packaging material regulations, ingredient regulations, unclaimed property and other matters. These laws and regulations are subject to frequent re-evaluation, varying interpretations and political debate and inquiries from government regulators charged with their enforcement, which could have a material adverse effect on our business and financial results. Future changes to U. S. or foreign trade policies, impositions of new or increased tariffs, other trade restrictions or other government actions, including any government shutdown, foreign currency fluctuations, including devaluations and fear of exposure to or actual impacts of a widespread disease outbreak, ~~such as the coronavirus pandemic,~~ may lead to the continuation or escalation of such risks and uncertainty. **Furthermore** ~~In addition~~ , changes to existing tax laws or the adoption of new tax policies, regulations, guidance or laws, particularly in the U. S., U. K. and Canada, could have a material adverse impact to our effective tax rate, future cash tax liabilities and our financial results in general. ~~The~~ **In addition, the** current economic and political environment, including the focus on corporate tax reform, anti- base erosion rules and tax transparency, may result in significant tax law changes in the numerous jurisdictions in which we operate **and could have a material adverse impact to our effective tax rate, future cash tax liabilities and our financial results in general** . ~~The recent enactment of certain~~ **In August 2022, the** U. S. **government enacted** ~~tax legislation, including~~ the Inflation Reduction Act of 2022 **(" IRA")** , ~~could result in~~ **which included among other provisions, a 15 % minimum tax on" adjusted financial statement income"** ~~an~~ **and became** ~~increase in our~~ effective ~~tax rate or~~ **for the Company beginning January 1, 2023** ~~cash tax and adversely impact our financial results~~ . ~~Most recently~~ **Recently** , intergovernmental organizations such as the Organization for Economic Co- operation and Development **(" OECD")** and European ~~Commission~~ **Union (" EU")** have proposed changes to the existing tax laws of member countries. ~~Those proposals include~~ **For instance, the OECD has introduced model rules for** a **new** 15 % global minimum tax **framework** ~~on certain multinational companies~~ , as well as ~~changes in~~ **a proposal on the** ~~allocations~~ - **allocation** of profit among tax jurisdictions in which companies operate **. In December 2022** , ~~which if enacted by those~~ -- **the EU member states agreed to incorporate the 15 % global minimum tax into their respective domestic laws effective for fiscal years beginning on or after December 31, 2023. Additionally, several non- EU** countries ~~in which we operate~~ , ~~could increase~~ **including the U. K., have recently proposed and /** ~~our~~ - **or** ~~overall~~ **adopted legislation consistent with the OECD global minimum** tax ~~liability~~ **framework. These tax laws** and **regulations could** adversely impact our financial results **beyond fiscal year 2024** . Continued economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, may make resolving tax disputes more difficult, and prior decisions by tax authorities regarding treatments and positions of corporate income taxes could be subject to enforcement activities, as well as legislative investigation and inquiry, which could also result in changes in tax policies or prior tax rulings. The final resolution of tax audits and any related litigation can differ from our historical provisions and accruals, resulting in an adverse effect on our financial performance. Additionally, modifications of laws and policies governing foreign trade and investment, including trade agreements and tariffs such as the United States- Mexico- Canada Agreement, the European Union- United Kingdom Trade and Cooperating Agreement, or aluminum tariffs, could adversely affect our supply chain, business and results of operations. For example, in June 2018, U. S. tariffs on aluminum imports from Canada, Mexico and EU went into effect (though the U. S. lifted the aluminum tariffs on Canada and Mexico in May 2019), which created volatility in the price of aluminum in the U. S. and increased the price of aluminum used in some of our product packaging. Continued imposition of U. S. aluminum tariffs, the implementation of additional tariffs and retaliatory tariffs from trade partners or related uncertainties could further increase the cost of certain of our imported materials, thereby adversely affecting our profitability. In addition, the ~~recently enacted~~ European Union- United Kingdom Trade and Cooperating Agreement **became effective in May 2021 and** resulted in certain disruptions in trade and the movement of goods, including prolonged transportation delays, which affected our ability to source raw materials and packaging for our products as well as our ability to import and export products. Furthermore, various jurisdictions have adopted, or may seek to adopt, additional product labeling or warning requirements or limitations on the availability of our beverages relating to perceived adverse health consequences of some of our beverages. If additional or more severe requirements of this type are imposed on one or more of our beverages under current or future laws or regulations, they could inhibit sales of such beverages in such jurisdictions. In addition, we cannot predict whether our beverages will become subject to increased rules and regulations regarding labeling or warnings which, if enacted, could increase our costs or adversely impact sales. In addition, a number of governmental authorities, both in the U. S. and abroad, have considered, and are expected to consider, legislation aimed at **packaging** reducing the amount of plastic waste. Programs have included **recommendations for extended producer responsibility,** banning certain types of products, mandating certain rates of recycling and / or the use of recycled materials, imposing deposits or excise taxes on packaging material, and requiring retailers or manufacturers to take back packaging used for their products. Such legislation, as well as voluntary initiatives, aimed at reducing the level of plastic wastes, could reduce the demand for certain of our products that contain plastic packaging, result in greater costs for manufacturers of plastic products or otherwise impact our business, financial condition and results of operations. Similarly, changes in applicable environmental regulations, including increased or additional regulations to discourage the use of ~~plastic~~ **particular materials (or encourage or mandate the use of other materials)** may result in increased compliance costs, increased costs, capital expenditures, incremental investments and other financial obligations for us and our business partners, which could affect our profitability. We may not be able to implement price increases for our products to cover any increased costs, and any price increases we do implement may result in lower sales volumes. The government (s) of each country in which we sell our products, including state and local jurisdictions in the U. S., levies excise taxes at varying rates. Additionally, U. S. governmental entities also levy taxes and may require bonds to ensure compliance with applicable laws and regulations. Increases in excise taxes, and such compliance taxes and bonds, could have a material adverse effect on our profitability. Failure to comply with existing laws and regulations or changes in these laws, regulations, or interpretations thereof, specifically tax and environmental laws or any other laws or regulations could result in the loss, revocation or suspension of our licenses, permits or approvals and could have a material adverse effect on our business, financial condition and results of operations. Additionally, uncertainties exist with respect to the interpretation of, and potential future developments in, complex domestic and international tax laws and regulations, the amount and timing of future taxable income and the interaction of such laws and regulations among jurisdictions. Given the wide range of international business relationships and the long- term nature and complexity of existing contractual agreements, differences arising between the actual results and assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Risks Related to Acquisitions and Joint Ventures Risks associated with operating our joint ventures may materially adversely affect our business and financial results. We have entered into several joint ventures, including our joint ventures with Ball Corporation (i. e., Rocky Mountain Metal Container), and with Owens- Brockway Glass Container Inc. (i. e., Rocky Mountain Bottle Company), for a portion of our aluminum and glass packaging supply in the U. S., respectively ~~. In addition, we have entered into a joint venture with HEXO Corp. to pursue opportunities to develop, produce and market non- alcoholic, cannabis- infused beverages in Canada and were previously party to a joint venture with HEXO Corp. regarding similar opportunities for CBD beverages in certain U. S. markets~~ . We have also entered into a joint venture with The Yuengling Company LLC to expand the distribution of Yuengling beer in the western U. S. We also have a joint venture in the U. K. regarding the production and distribution of Cobra beer. Additionally, in certain Canadian provinces, we rely on joint venture agreements with BRI and BDL to distribute our products via retail outlets that are mandated and regulated by provincial government regulators. As previously referenced, BRI owns and operates commercial retail outlets, known as The Beer Store, in Ontario, and BDL facilitates the distribution of our products in the western Canadian provinces. We may enter into additional joint ventures in the future. Our joint venture partners may at any time have economic, business or legal interests or goals that are inconsistent with our goals or with the goals of the joint venture. In addition, we compete against our joint venture partners in certain of our other markets. Disagreements with our business partners may impede our ability to maximize the benefits of our partnerships. Our joint venture arrangements may require us, among other matters, to pay certain costs or to make certain capital investments or to seek our joint venture partner' s consent to take certain actions. In addition, our joint venture partners may be unable or unwilling to meet their economic or other obligations under the operative documents, or may become insolvent or file for bankruptcy protection and we may be required to either fulfill those obligations alone to ensure the ongoing success of a joint venture or to dissolve and liquidate a joint venture. Failure to successfully identify, complete or integrate attractive acquisitions and joint ventures into our existing operations could have an adverse effect on our business and financial results. We have made a number of acquisitions and entered into several strategic joint ventures. In order to compete in the consolidating global brewing and beverage industry, we anticipate that we may, from time to time, in the future acquire additional businesses **like the Blue Run Spirits, Inc (" Blue Run") acquisition in the third quarter of 2023** or enter into additional joint ventures that we believe would provide a strategic fit with our business ~~, such as the Acquisition and our joint ventures with HEXO and Yuengling and various other craft acquisitions we have made recently~~ . Potential risks associated with acquisitions and joint ventures could include, among other things: • our ability to identify attractive acquisitions and joint ventures; • our ability to offer potential acquisition targets and joint venture partners' competitive transaction terms; • our ability to raise capital on reasonable terms to finance attractive acquisitions and joint ventures; • our ability to realize the benefits or cost savings that we expect to realize as a result of the acquisition or joint venture; • diversion of management' s attention; • our ability to successfully integrate our businesses with the business of the acquired company; • motivating, recruiting and retaining key employees; • conforming standards, controls, procedures and policies, business cultures and compensation structures among our company and the acquired company; • consolidating and streamlining sales, marketing and corporate operations; • potential exposure to unknown liabilities of acquired companies; • potential exposure to unknown or future liabilities or costs that affect the markets in which acquired companies or joint ventures operate; • reputational or other damage due to the conduct of a joint venture partner or the prior conduct of an acquired company; • loss of key employees and customers of an acquired company; and • managing tax costs or inefficiencies associated with integrating our operations following completion of an acquisition or entry into a joint venture. Additional Risks Related to our Americas Segment Our U. S. business is highly dependent on independent distributors to sell our products, with no assurance that these distributors will effectively sell our products, and distributor consolidation in the U. S. could harm our business and financial results. We sell nearly all of our products, including all of our imported products, in the U. S. to independent distributors for resale to retail outlets. These independent distributors are entitled to exclusive territories and protected from termination by state statutes and regulations. Consequently, if we are not allowed, or are unable under acceptable terms or at all, to replace unproductive or inefficient distributors, our business, financial position and results of operation may be adversely affected, which could have a material adverse effect on our business and financial results. Further, in recent years, there has been a consolidation of independent distributors, resulting in distributors with increased leverage over suppliers due to the distributor' s share of the supplier business, exclusive territorial appointments and regulatory protection of distribution agreements. We have limited ability to influence decisions regarding distributor consolidation, which, regardless of size, carries a risk of decreased investment in service and local marketing in the interest of paying down the leverage required to fund a transaction. Consolidation among distributors could create a more challenging competitive landscape for our products and could hinder the distribution and sale of our products. There is a risk that consolidation of distributors could further increase due to potential changes in tax laws in the markets in which we operate. This could negatively impact sales of certain growth driver products, such as hard seltzers and ready to drink beverages, and increase prices. Our unique portfolio may require more brand building than our competitors, which could be adversely affected in the event of distributor consolidation. Changes in distributors' strategies, including a reduction in the number of brands they carry, may adversely affect our growth, business, financial results and market share. Government mandated changes to the retail distribution model resulting from new regulations may have a material adverse effect on our Canada business. **The Province of** ~~In June 2019, the~~ Ontario ~~government adopted a bill that, if enacted, would terminate a 10- year Master Framework Agreement that was originally signed in 2015 between the previous government administration~~ and Molson Canada 2005, a wholly owned indirect subsidiary of our Company, Labatt Brewing Company Limited, Sleeman Breweries Ltd. **(collectively, the" Representative Owners")** , and Brewers Retail Inc. ~~and dictates~~ **, operating under** the **name"** ~~terms of the beer distribution and retail systems in Ontario~~

~~through 2025.~~ The **Beer Store" (" TBS")** ~~government has not yet proclaimed the bill as law~~ , ~~and the impacts of the potential legislative changes~~ are **parties to** ~~unknown at this time but could have~~ a ~~negative impact on the results of operations, cash flows and financial position of the Americas Segment. Molson Canada 2005 and the other~~ Master Framework Agreement **(" MFA") that dictates** ~~signatories are prepared to vigorously defend our rights and pursue legal recourse, should~~ the **terms** ~~Master Framework Agreement be unilaterally terminated by the enactment~~ of the ~~2019 legislation~~ **beer distribution and retail systems in Ontario** . The initial term of the Master Framework Agreement does not expire until December 31, 2025, and the **MFA** ~~Master Framework Agreement~~ contains a provision requiring two- year advance notice of the government' s intention to not renew the **MFA** ~~Master Framework Agreement. Our Americas business faces numerous risks relating to its joint venture in the Canadian cannabis industry and its former involvement in the U. S. CBD beverage industry~~ . In ~~2018~~ **December 2023** , ~~a wholly- owned subsidiary within our Canadian business completed~~ the ~~formation~~ **Province** of **Ontario notified the Representative Owners** ~~an~~ **and** ~~independent Canadian joint venture with HEXO Corp., a Canadian entity listed~~ **TBS that it would not be renewing the MFA after the initial term of the MFA expires** on **December 31, 2025** ~~the NASDAQ and the Toronto Stock Exchange that serves the Canadian cannabis market~~ . The **Province of Ontario simultaneously announced a set of** ~~joint venture, Truss LP (" Truss"), is producing and marketing~~ non- ~~alcoholic~~ **binding Key Principles agreed upon between the Province of Ontario** , ~~cannabis~~ **the Representative Owners, and TBS, concerning the intended features of the future marketplace for beer distribution and retail systems in the Province of Ontario to be introduced no later than January 1, 2026. Under the Key Principles, TBS will continue its retail operations and will continue to be the primary distributor of beer in the Province of Ontario at least through 2031. The Key Principles also state grocery stores, convenience stores, gas stations, and big** - ~~infused beverages~~ **box retailers in the Province of Ontario will be able to apply** for ~~the Canadian market~~ **licenses to sell beer, wine, cider, and ready- to- drink cocktails starting in 2026** . The **impacts** ~~success and consumer acceptance~~ of ~~any products produced by~~ the **Key Principles are still being analyzed** ~~joint venture cannot be assured. As of the end of 2022, we exited the U. S. CBD market. Further, our Canadian subsidiary' s involvement in the Canadian cannabis industries~~ and **could** ~~our former involvement in the U. S. CBD market may~~ have **a** ~~, and may continue to, negatively~~ -- **negative** ~~impact consumer, business partner, investor or public sentiment regarding our brands, Americas' beer business or our company. The emerging cannabis and CBD industries in Canada and the U. S. and in other jurisdictions is evolving rapidly and involves a high degree of political, legal and regulatory uncertainty. The occurrence of any of the above risks could have a material adverse effect on our business. In addition, there is regulatory uncertainty in the U. S. regarding the status of food and beverage products that contain U. S. hemp- derived ingredients, including CBD, which, in part, contributed to our decision to exit the U. S. CBD market. While our involvement in the U. S. CBD market consisted of operations and sales of such products in states where the sale and distribution of hemp- derived CBD beverages is permitted, U. S. federal law enforcement officials may still elect to take enforcement action against companies under the Controlled Substances Act or the Food and Drug Administration may send a cease and desist letter, either of which action could have an~~ impact on ~~our future involvement in~~ the ~~U. S. CBD market~~ **results of operations, cash flows and financial position of our Americas Segment** . Indemnities provided to the purchaser of our previous interest in the Cervejarias Kaiser Brasil S. A. (" Kaiser") business in Brazil could result in future cash outflows and statement of operations charges. In 2006, we sold our previous ownership interest in Kaiser, which was held by our Canadian business, to FEMSA Cerveza S. A. de C. V. (" FEMSA"). The terms of the sale agreement require us to indemnify FEMSA for exposures related to certain tax, civil and labor contingencies and certain purchased tax credits. The ultimate resolution of these claims is not under our control. These indemnity obligations are recorded as liabilities on our consolidated balance sheets; however, we could incur future statement of operations charges due to changes to our estimates or changes in our assessment of probability of loss on these items as well as due to fluctuations in foreign exchange rates. Due to the uncertainty involved in the ultimate outcome and timing of these contingencies, significant adjustments to the carrying value of our indemnity liabilities and corresponding statement of operations charges / credits could result in the future. Additional Risks Related to our EMEA & APAC Segment Economic trends and intense competition in European markets could unfavorably affect our profitability. Our European businesses have been, and, in the future may be, adversely affected by conditions in the global financial markets and general economic and political conditions, as well as a weakening of their respective currencies versus the U. S. dollar, in each case, in addition to the **other** impacts of the ~~coronavirus pandemic~~ **Russia- Ukraine conflict** . Additionally, we face intense competition in certain of our European markets, particularly with respect to pricing, which could lead to reduced sales or profitability. In particular, the on- going focus by large competitors in Europe to drive increased market share through aggressive pricing strategies could adversely affect our sales and results of operations. We may also face pressures resulting from a reduction in disposable incomes of consumers to spend on our products due to inflation, recessionary conditions and an increase in the cost of energy, primarily in countries located in central and eastern Europe, which could unfavorably affect our profitability. In addition, in recent years, beer volume sales in Europe have been shifting from on- premise, such as pubs and restaurants, to off- premise, such as retail stores, for the industry as a whole. Margins in sales to off- premise customers tend to be lower than margins from sales to on- premise customers, and, as a result, continuation or acceleration of this trend could further adversely affect our profitability. Risks Related to Ownership of our Class B Common Stock If Pentland and the Coors Trust do not agree on a matter submitted to our stockholders or if a super- majority of ~~our~~ **the** ~~board~~ **Board** ~~of directors~~ do not agree on certain actions, generally the matter will not be approved, even if beneficial to us or favored by other stockholders or a majority of ~~our~~ **the** ~~board~~ **Board** ~~of directors~~ . Pentland Securities (1981) Inc. (" Pentland") (a company controlled by the Molson family and related parties) and the Adolph Coors, Jr. Trust (the" Coors Trust") (a trust controlled by the Coors family and related parties), which together control more than 90 % of our Class A common stock and Class A exchangeable shares, have a voting trust agreement through which they have combined their voting power over the shares of our Class A common stock and the Class A exchangeable shares that they own. If these two stockholders do not agree to vote in favor of a matter submitted to a stockholder vote (other than the election of directors), the voting trustees are required to vote all of the Class A common stock and Class A exchangeable shares deposited in the voting trust against the matter. There is no other mechanism in the voting trust agreement to resolve a potential deadlock between these stockholders. Therefore, if either Pentland or the Coors Trust is unwilling to vote in favor of a proposal that is subject to a stockholder vote, we would be unable to implement the proposal even if ~~our~~ **the** ~~board~~ **Board** ~~of directors~~ , management or other stockholders believe the proposal is beneficial to us. Similarly, our bylaws require the authorization of a super- majority (two- thirds) of the ~~board~~ **Board** ~~of directors~~ to take certain transformational actions. Thus, it is possible that our Company will not be authorized to take action even if it is supported by a simple majority of the ~~board~~ **Board** ~~of directors~~ . The interests of the controlling stockholders may differ from those of other stockholders and could prevent our Company from making certain decisions or taking certain actions that would be in the best interest of the other stockholders. Our Class B common stock has fewer voting rights than our Class A common stock and holders of our Class A common stock have the ability to effectively control or have a significant influence over certain of our actions requiring stockholder approval, which could have a material adverse effect on Class B stockholders. See Part II — Item 8 Financial Statements and Supplementary Data, Note 14," Stockholders' Equity" in this Annual Report on Form 10- K for additional information regarding voting rights of Class A and Class B stockholders. Shareholder activism efforts or unsolicited offers from a third- party could cause a material disruption to our business and financial results. We may be subject to various legal and business challenges due to actions instituted by shareholder activists or unsolicited third- party offers. Perceived uncertainties as to our future direction as a result of shareholder activism may lead to the perception of a change in the direction of the business or other instability and may affect our relationships with vendors, customers, prospective and current employees and others. Proposed or future laws and regulations may increase the chance we become the target of shareholder activist campaigns, including ESG- related actions. If shareholder activist campaigns are initiated against us, our response to such actions could be costly and time- consuming, which could divert the attention and resources of ~~our~~ **the** Board ~~of Directors~~ , Chief Executive Officer and senior management from the pursuit of our business strategies, which could harm our business, negatively impact our stock price, and have an adverse effect on our business and financial results.