Risk Factors Comparison 2024-03-15 to 2023-03-21 Form: 10-K

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An investment in our Common Shares involves a variety of risks, some of which are specific to us and some of which are inherent to the industry in which we operate. The following risks and other information in this report or incorporated in this report by reference, including our consolidated financial statements and related notes and " Management' s Discussion and Analysis of Financial Condition and Results of Operations, " should be read carefully before investing in our securities. These risks may adversely affect our financial condition, results of operations or liquidity. Many of these risks are out of our direct control, though efforts are made to manage those risks while optimizing financial results. These risks are not the only risks we face. Additional risks and uncertainties that we are not aware of or focused on or that we currently deem immaterial may also adversely affect our business and operations. This Annual Report on Form 10- K is qualified in its entirety by all these risk factors. ~~Summary of Risk~~ **Risks** ~~Factors The following~~ **Related to Our Business** We may not complete the construction of our new production facility in Conway,Arkansas in time or at all and may incur additional expenses in the process,which could hamper our ability to satisfy demand and meet revenue targets.In 2021,we purchased a 524,000 square foot manufacturing facility in Conway,Arkansas with the intent to build out the capacity and capabilities needed to meet our customer demand.Construction on the facility began in late 2022 and we are in active discussions with prospective customers related to price,terms,volume and commitments.If the completion of this facility ~~is delayed or otherwise~~ is ~~a summary of~~ **delayed or otherwise not completed, or if we incur additional expenses in** the ~~principal risks that~~ **process of opening this facility, it might hamper our ability to satisfy customer demand and meet revenue targets, which could cause our profitability to suffer. Disruption in operations at any of our production and distribution facilities could affect our ability to manufacture or distribute products and** could adversely affect our business ~~, financial condition~~ and **sales** ~~results of operations~~ . ~~Risks Related to~~ Our **sales** ~~Business ● We have incurred~~ and ~~may continue~~ **distribution network requires a large investment** to ~~incur net losses and may not achieve or~~ maintain **and operate, and we rely** ~~profitability in the future. ● Any failure to retain key personnel or recruit qualified personnel could adversely impact us. ● We do not currently have written contracts with certain of our co- manufacturers. The loss of these co- manufacturers or the inability of these co- manufacturers to fulfill our orders could have a material adverse effect~~ on ~~our business. ● Further consolidation among our customers or the loss of any key customer could negatively affect our sales, profitability and future growth. ● If we are unable to anticipate customer preferences and successfully develop new products, or if we fail to effectively manage the introduction of new products, our business will suffer. ● Our inability to hedge commodity risks. ● Our accounts receivable represents a significant portion of our current assets and a substantial portion of our trade accounts receivables relate principally to~~ a limited number of ~~of~~ production and distribution facilities.Our production capacity is currently concentrated in our Concord,North Carolina,North Little Rock,Arkansas,Richmond,California and Johor Bahru,Malaysia facilities,and will soon be supplemented by our planned production expansion at our new Conway,Arkansas facility.If we were to experience a prolonged disruption in the operation of these facilities due to damage from fire,natural disaster,power loss,labor shortages,or a failure of production equipment or information technology systems supporting our production processes,we may not have sufficient capacity at our other facilities to meet **our** customers **' demands** ~~, increasing our exposure to bad debts and counterparty risk~~ . ~~●~~ If **demand increases more than** we ~~have overestimated the size of~~ **forecast, we will need to either expand our capabilities internally** ~~our~~ - **or acquire additional capacity** ~~addressable market, our future growth opportunities may be limited~~ . **Alternative facilities** ~~● We are subject to U. S. and international laws and regulations that could adversely affect our business, including anti- corruption laws and trade controls laws, and noncompliance~~ with **sufficient capacity** ~~such laws could subject us to criminal or civil liability. ● We may not achieve the projected benefits or successfully integrate future acquisitions and our~~ - **or capabilities** ~~M & A activities may divert our management' s attention. ● We~~ may not be **available, may cost substantially more than existing facilities** ~~able to effectively manage the growth and increased complexity of our~~ - **or** ~~business. ● Fluctuations in our operating results~~ **may take significant time to start production, which would have an** ~~adversely~~ -- **adverse** ~~affect~~ **impact on** our financial condition **, results of operations** and cash ~~flow~~ **flows . In addition, we use a significant amount of electricity, gasoline, diesel** and **oil, natural gas** ~~may make it difficult to project future results~~ and ~~meet the~~ **other energy sources to operate** ~~earnings expectations of securities analysts or investors. ● Disruption in operations at any of~~ our production and distribution facilities **. An increase in** ~~, or failure to complete~~ the ~~construction~~ **price, disruption** of **supply** ~~our~~ - **or shortage of fuel and other energy sources that may be caused by increased demand** ~~new production facility in Conway, Arkansas on time or at all, could affect our~~ - **or** ~~ability to manufacture or distribute products and could adversely affect~~ **by events such as climate change, natural disasters, power outages, cyberattacks** ~~our~~ - **or the like,** ~~business and sales. ● Future litigation or disputes~~ could lead ~~us~~ to **higher electricity** ~~incur significant liabilities or harm our reputation. ● Our failure to comply with applicable transfer pricing and similar regulations may harm our business and financial results. ● If we are unable to protect against software and hardware vulnerabilities~~ , **transportation** ~~service interruptions, data corruption, cyber- based attacks, ransomware or security breaches, or if we fail to comply with our commitments~~ and ~~assurances regarding the privacy and security of personal, financial or~~ other **commodity costs** ~~confidential information relating to our customers~~ , **which** ~~suppliers, employees or business, including through unauthorized access, theft, use or destruction of such data, our operations could be disrupted, our ability to provide our products could be interrupted, our reputation may be harmed and we may be exposed to liability and loss of customers and business. ● We may become subject to intellectual property disputes or be forced to defend our intellectual property rights. ● Our future levels of indebtedness could materially and adversely affect our financial position,~~

~~including reducing funds available for other business purposes and reducing our operational flexibility. ● The Credit Agreement contains covenants that may restrict our ability to operate our business. ● We may not have access to additional capital, including under our Revolving Credit Facility if the financial institutions that are lenders under the Revolving Credit Facility fail to extend credit under it, when needed to operate and grow our business. ● Exercise of redemption rights by the holders of our Series A convertible preferred stock, par value $ 0. 01 per share, (the " Series A Preferred Shares ") may adversely affect the cash that we have available for other purposes and our ability to execute our business strategy. ● A change in the assumptions used to value our goodwill or other intangible assets, or the impairment of our goodwill or intangible assets,~~ could negatively impact our **profitability,** financial condition **or** ~~and operating~~ results ~~. ● Our insurance and reserves may be insufficient to cover future claims and liabilities. ● Additional income tax liabilities and changes in tax laws may adversely affect us, and the IRS, other tax authorities, or a court may disagree with our tax positions, which may result in adverse effects on our financial condition or the value of our Common Shares. ● Westrock has identified, and may identify additional, material weaknesses in its internal control over financial reporting, which may result in material misstatements of Westrock' s consolidated financial statements, cause Westrock to fail to meet its periodic reporting obligations or cause investors to lose confidence in accuracy of our financial reports. ● Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect Westrock' s business, investments and results~~ of operations ~~. ● The accuracy of Westrock' s financial statements and related disclosures could be adversely affected if the judgments, assumptions or estimates used in Westrock' s critical accounting policies are inaccurate. ● Our board of directors and management have significant control over our business. ● There are provisions in our certificate of incorporation and bylaws, the Investor Rights Agreement and of Delaware law that may prevent or delay attempts to acquire a controlling interest in Westrock, which could decrease the trading price of the Common Shares. Risks Related to Our Industry ● Availability of and fluctuations in the cost of green coffee and other key raw materials and certain of our ingredients and packaging materials, or disruption in our supply chain, could negatively affect our margins and profitability. ● We are exposed to risks associated with the interruption of supply and increased costs as a result of our reliance on third- party transportation carriers for shipment of our products. ● Increased competition in coffee, liquid extract consumables or other beverage channels may adversely affect sales of our products. Our inability to maintain or grow market share through continued differentiation of our products and competitive pricing could adversely affect our completive position, customer retention, financial condition, operating results and cash flow. ● Quality control problems or food safety issues could adversely affect our sales and brand reputation, lead to product recalls or result in product liability claims. ● Climate change, severe weather patterns, and water scarcity could have a material adverse effect on our business and results of operations. ● Our business may fluctuate as a result of seasonality. Risks Related to General Economic Conditions ● A resurgence of the novel coronavirus, or COVID- 19, and emergence of new variants of the virus could materially adversely affect our financial condition and results of operations. ● Our revenue and profits depend on the level of customer spending for discretionary items, which is sensitive to general economic conditions and other factors. ● Our business and the businesses of our suppliers are subject to macroeconomic conditions that, in the event of deterioration, could adversely affect our financial condition, operating results and cash flow~~ . We have incurred net losses in the past, may incur net losses in the future, ~~and~~ may not achieve or maintain profitability in the future **, and fluctuations in our operating results make it difficult to project future results. Our rapid growth makes it difficult for us to forecast our future operating results, which have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are beyond our control** . In the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , we incurred net losses of $ **34. 6 million, $** 55. 5 million ~~,~~ **and** $ 21. 3 ~~million and $ 128. 9~~ million, respectively. These losses could continue for the next several years as we expand our product offering and continue to scale our commercial operations **by hiring** ~~. Even if we are able to increase sales of our products, there can be no assurance that we will ever be profitable. We may incur significant net losses for the foreseeable future as we: ● continue to hire~~ additional personnel to improve the operations of our business ~~; ●~~ **and support public company compliance requirements,** ~~increase~~ **increasing** our sales and marketing functions **and** ~~, including expansion~~ - **expanding** ~~of~~ our manufacturing and distribution capabilities ~~; ● hire additional personnel to support compliance requirements in connection with being a public company; and ● expand operations and manufacturing~~ . If our products do not achieve sufficient market acceptance, our revenue growth rate may be slower than we expect, we may not be able to increase revenue enough to offset the increase in operating expenses resulting from investments, and we will not become profitable. **Even if we are able to increase sales of our products,** ~~There~~ **there** can be no assurance that we will ever achieve or sustain profitability. Any failure to retain key personnel or recruit qualified personnel could adversely impact our financial condition, results of operations and cash flow. Our success depends on the contributions of key personnel and a consistent workforce, including production workers, support staff and executive team members. The competition for talent in the markets in which we compete is extremely high and candidates' preferences and expectations are evolving. We must continue to recruit, retain, motivate and develop management and other employees sufficiently to maintain our current business and support our projected growth and strategic initiatives. This may require that we adapt to evolving labor conditions and make significant investments in our employees, including through coaching, training or other professional development activities. Activities related to identifying, recruiting, hiring and integrating qualified individuals require significant time and attention. We may also need to invest significant amounts of cash and equity to attract talented new employees, the returns on which we may never fully realize. In this competitive environment, our business could be adversely affected by increased labor costs, including wages and benefits, cost increases triggered by compensation- related regulatory actions concerning wages, worktime scheduling and benefits; increased healthcare and workers' compensation insurance costs; increased wages and costs of other benefits necessary to attract and retain high quality employees with the appropriate skill sets and increased wages, benefits and costs related to any **public health issues (such as the** COVID- 19 ~~resurgence~~ **pandemic)** . In addition, our wages and benefits programs may be insufficient to attract and retain talented employees. Our ability to achieve our key strategic objectives may be adversely affected if we are unable to successfully retain our talented employees, which may impact our financial condition and operating results. For example, our founder, Mr. Scott T. Ford, is an important leader for the business and any loss of service resulting from his absence would disrupt our business and likely adversely impact our operating performance. Further, any unplanned turnover or failure to develop or implement an adequate succession plan for our senior management and other key employees, could deplete our institutional knowledge, erode our competitive advantage, and negatively affect our business, financial condition and operating results. We do not maintain key person life insurance policies on any of our executive officers. **Further consolidation among our customers** ~~We do not currently have written contracts with certain of our~~ **or the** ~~co- manufacturers. The~~ loss of **any key customer** ~~these co- manufacturers or the inability of these co- manufacturers to fulfill our orders would~~ **could** ~~adversely~~ **negatively** affect our **sales** ~~ability to make timely deliveries of our products and could have a material adverse effect on our business. For the years ended December 31~~ , **profitability** ~~2022, 2021 and 2020, 7. 1 %, 7. 8 % and 9. 6 % of our revenue was derived from products manufactured at manufacturing facilities owned and operated by our co- manufacturers. We do not currently have written manufacturing contracts with co- manufacturers who represented 5. 0 % of our revenue for the year ended December 31, 2022. In the absence of a written contract, any of such co- manufacturers could seek to alter or terminate its relationship with us at any time, leaving us with periods during which we have limited or no ability to manufacture our products. If we need to replace a co- manufacturer, there can be no assurance that additional capacity will be available when required on acceptable terms, or at all. An interruption in, or the loss of operations at, one or more of our co- manufacturing facilities, which may be caused by work stoppages, disease outbreaks or pandemics, acts of war, terrorism, fire, earthquakes, flooding or other natural disasters at one or more of these facilities, could delay, postpone or reduce production of some of our products, which could have a material adverse effect on our business, results of operations and financial condition until such time as such interruption is resolved or an~~ **and** ~~alternate source of production is secured. We believe there are a limited number of competent, high- quality co- manufacturers in the industry that meet our strict quality and control standards, and as we seek to obtain additional or alternative co- manufacturing arrangements in the~~ future **growth** ~~, there can be no assurance that we would be able to do so on satisfactory terms, in a timely manner, or at all. Therefore, the loss of one or more co- manufacturers, any disruption or delay at a co- manufacturer or any failure to identify and engage co- manufacturers for new products and product extensions could delay, postpone or reduce production of our products, which could have a material adverse effect on our business, results of operations and financial condition~~ . We have a number of large national account customers and the loss of or reduction in sales to one or more of them would likely have a material adverse effect on our operating results. For the fiscal years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , our top five customers accounted for approximately **39 %,** 37 % ~~,~~ **and** 35 ~~% and 34~~ %, respectively, of our net sales. To the extent that we do not have written contracts with customers, they can stop purchasing our products at any time without penalty and are free to purchase products from our competitors. There can be no assurance that our customers will continue to purchase our products in the same mix or quantities or on the same terms as they have in the past. Our customers may also take actions that we cannot control or anticipate, such as changing their business strategy or introducing products that may compete with ours. Additionally, industry consolidation has generally led to our customers becoming larger and more sophisticated buyers of our products, leveraging their buying power and negotiating strength to improve their profitability through more favorable contractual terms. To the extent we provide contractual concessions such as lower prices or more favorable trade terms, our margins would be reduced. Over time, our inability to extend such concessions may negatively impact our sales revenue. Our customers may also face financial difficulties, bankruptcy or other business disruptions that may affect their ability to pay for our products, which could adversely affect our sales and profitability. **If we are unable to anticipate customer preferences and successfully develop new products, or if we fail to effectively manage the introduction of new products, our business will suffer.** Our business depends on our ability to satisfy our customers with our beverage products ~~. In order for us to maintain or improve Westrock' s operating results~~ and **their** ~~grow its revenue, it is important that our customers continue~~ **continued** ~~purchasing~~ **purchase of** our products. Our customers generally have no obligation to continue or otherwise extend their purchasing, and there can be no assurance that our customers will continue or otherwise extend their purchasing for similar periods or for the same amount of our products. The rate at which we retain our customers may decline or fluctuate as a result of a number of factors, including our end- use customers' changing preferences, the shift among millennial coffee drinkers from hot brew towards cold brew and extracts (or any reversion thereof), satisfaction with our products and their prices, the prices of competing products, mergers and acquisitions affecting our direct customers, the effects of global economic conditions, and reductions in customers' spending levels. If our customers do not continue purchasing our products, our revenues would decline, and we may not realize improved operating results from our customer base. Our accounts receivable represents a significant portion of our current assets and a substantial portion of our trade accounts receivables relate principally to a limited number of customers, increasing our exposure to bad debts and counterparty risk, which could potentially have a material adverse ~~result~~ **effect** on our results of operations. A significant portion of our trade accounts receivable are from five customers, which represented approximately **44 % and** 54 ~~% and 35~~ % of our trade accounts receivable for the years ended December 31, **2023 and** 2022 ~~and 2021~~ , respectively. The concentration of our accounts receivable across a limited number of parties subjects us to individual counterparty and credit risk as these parties may breach our agreement, claim that we have breached the agreement, become insolvent and / or declare bankruptcy, thereby delaying or reducing our collection of receivables or rendering collection impossible altogether. Some of these parties use third- party distributors or do business through a network of affiliate entities which can make collection efforts more challenging and, at times collections may be economically unfeasible. Adverse changes in general economic conditions and / or contraction in global credit markets could lead to liquidity problems among our debtors. This could increase our exposure to losses from bad debts and have a materially adverse effect on our business, financial condition and results of operations. Our estimated addressable market **and our continued penetration and expansion into additional markets** is subject to inherent challenges and uncertainties **that could** ~~. If we~~ have ~~overestimated the size of~~ **a material adverse effect on** our ~~addressable market, our~~ **results of operations and** future growth opportunities ~~may be limited~~ . Our total addressable market in the United States is calculated based on an estimated percentage of households that purchase coffee products at least once per year, which we generally estimate based on internal and third- party market research, historical surveys and interviews with market participants **, which is inherently imprecise** . As a result, our addressable market ~~is subject~~ **, as well as our estimates relating** to ~~significant uncertainty~~ **the size** and ~~is~~ **expected growth of the markets in which we operate, our penetration of those markets and our expectations regarding future opportunities, are** based on assumptions **and estimates** that may ~~not~~ prove ~~to be accurate~~ **inaccurate** ~~. Our estimates are based, in part, on third- party reports~~ and are subject to significant **uncertainty. If our** assumptions ~~and~~ **,** estimates ~~. These estimates, as well as the estimates relating to the size and expected growth of the markets in which we operate, and our~~ - **or expectations** ~~penetration of those markets, may change or~~ prove to be inaccurate ~~. While we believe that the information on which we base our addressable market estimates is generally reliable~~ , ~~such information is inherently imprecise. In addition, our expectations, assumptions and estimates of future opportunities are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described herein. If third- party or internally generated data prove to be inaccurate or we make errors in our assumptions based on that data, our future growth opportunities may be affected. If our addressable market, or the size of any of the various ancillary markets in which we operate, proves to be inaccurate, our future growth opportunities may be limited, and~~ there could be a material adverse effect on our business, financial condition and results of operations ~~. Our growth depends, in part, on our continued penetration and expansion into additional markets, and we may not be successful in doing so~~ . We believe that our future growth depends not only on serving existing customers, but also on continuing to get new customers and expanding our distribution base in the United States and internationally. In new geographic markets, we may face challenges that are different from those we currently encounter, including competitive, merchandising, distribution, hiring, legal and regulatory, and other difficulties. Although we continue to evaluate sales and marketing efforts and other strategies to expand our supplier, customer and distribution bases, there is no assurance that we will be successful. If we are not successful, this could have a material adverse effect on our business, financial condition and results of operations. We **ongoing business through** ~~additional acquisitions,and we may incur significant transaction costs in seeking acquisitions that we do not complete.Furthermore,~~ the ~~identification~~ **diversion** of **resources or increased expenses;● diversion of** ~~suitable acquisition candidates can be difficult,time- consuming and costly,and we may not complete acquisitions on favorable terms,if at all.Such acquisitions may disrupt~~ our **management' s attentions from** ongoing business operations ~~,divert management from~~ **;● reduced cash liquidity in** ~~their~~ -- **the business;** ~~primary responsibilities,increase our expenses~~ and ~~subject us to increased regulatory requirements~~ **● the dilution of then- existing stockholders and reduced earnings per share as a result of any issuance of equity securities** .In addition **to the above risks** ,we may not successfully integrate and manage businesses that we acquire or fully achieve anticipated cost savings and synergies from acquisitions in the timeframe we anticipate or at all and projections of the anticipated benefits of any acquisition can be negatively affected by intervening events beyond our control. **Projected growth opportunities could also require a greater- than- anticipated amount of trade and promotional spending.** There can be no assurance that we will successfully or efficiently integrate any businesses that we may acquire in the future,and the failure to do so ~~could~~ are subject to various federal, state, local and foreign laws that affect how we conduct our business, including the manufacturing, safety, sourcing, labeling, storing, transportation, marketing, advertising, distribution and sale of our products, our relations with distributors and retailers, and our employment, environmental, privacy, health and trade practices. These laws and regulations and interpretations thereof are subject to change as a result of political, economic or social events. Any new laws and regulations or changes in existing laws or their interpretations **, changes in international tax treaties or international trade policy, or the imposition of increased or new tariffs, quotas or trade barriers on key commodities,** could result in increased compliance costs, capital expenditures, incremental investments and other financial obligations for us and our business partners, which could affect our profitability. **Our** ~~Additionally, our~~ expanding international business will ~~also~~ expose us to additional regulatory regimes, **such as** ~~which may be very different from the ones we are used to complying with domestically, and these foreign laws may occasionally conflict with domestic laws. Aside from the regulatory risks of doing business in foreign countries, our business in these countries is also subject to certain U. S. laws, regulations and policies, including~~ the U. S. Foreign Corrupt Practices Act **(** ~~, or "~~ FCPA **)** , ~~"~~ **the UK Bribery Act 2010, the Malaysian Anti- Corruption Commission Act 2009, and other anti- corruption laws** as well as trade control laws such as economic sanctions, customs and import laws, and export control laws and regulations. **We** ~~The FCPA generally prohibits companies from making direct or indirect improper payments to non- U. S. government officials for the purpose of obtaining or retaining business or obtaining an improper business advantage. Both the SEC and U. S. Department of Justice~~ have **activities** ~~aggressively enforced the FCPA~~ in **jurisdictions that are perceived to** ~~recent~~ **present** ~~years. Our~~ **heightened risks of public corruption, and our** operations in foreign countries may place us in contact with persons who may be considered " foreign officials " under the FCPA, resulting in greater risk of potential violations of the FCPA (or other applicable public corruption regimes). ~~We also have activities in jurisdictions that are perceived to present heightened risks of public corruption. The FCPA also requires that we keep accurate books and records and maintain a system of adequate internal controls. In addition to the FCPA' s prohibitions on public corruption, the UK Bribery Act 2010, the Malaysian Anti- Corruption Commission Act 2009, and other anti- corruption laws that could apply to our international activities also prohibit commercial bribery and requesting or accepting bribes. U. S. trade control laws prohibit certain transactions and dealings involving sanctioned countries, governments, persons, without a license or other appropriate authorization.~~ As we increase our international sales and business, our risks of non- compliance ~~with the FCPA and U. S. trade control laws may increase. Although we have implemented policies and procedures designed to ensure that we, our employees and our intermediaries comply~~ with the FCPA, other applicable anti- corruption or anti- bribery laws, and applicable trade control **laws may increase. Although we have implemented policies and procedures designed to ensure that we, our employees and our intermediaries comply with these** laws, there is no assurance that such policies or procedures will prevent illegal acts by our employees or intermediaries, or protect us against liability under the FCPA, other anti- corruption regimes, or trade sanctions laws ~~. Our business must also be conducted in compliance with applicable economic and trade sanctions laws and regulations, such as those administered and enforced by the U. S. Department of Treasury' s Office of Foreign Assets Control, the U. S. Department of State, the U. S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. Our global operations expose us to the risk of violating, or being accused of violating, economic and trade sanctions laws and regulations. Despite our compliance efforts and activities, we cannot assure compliance by our employees or representatives for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition and results of operations. Changes in international tax treaties or international trade policy, or the imposition of increased or new tariffs, quotas or trade barriers on key commodities, could also adversely affect our business~~ . Violations of these laws or regulations could have a material adverse effect on us, by imposing substantial financial penalties ~~or~~ **,** significant operational limitations **and reputational harm** , diverting management' s attention and resources and incurring significant defense costs and other professional fees. Investigations of potential violations of these laws by local, state, federal or foreign authorities could also harm our reputation and have an adverse impact on our business, financial condition and results of operations. **Future litigation or disputes could lead us to incur significant liabilities or harm our reputation.** We have in the past and **/ or** may in the future ~~acquire companies~~ **become subject to legal proceedings (including class actions)** , ~~which can divert~~ **disputes, claims, investigations, regulatory proceedings,** ~~our~~ - **or similar actions that arise in the ordinary course of business,** ~~management' s attention and we may also be unable to integrate~~ such ~~businesses~~ **as claims brought by** ~~or~~ **our** ~~identify and achieve their projected benefits. Our future success will depend, in part, on our ability to grow in the face of changing customer~~ **customers** demands and competition. A core part...... increased regulatory requirements. Risks we face in connection with ~~acquisitions include: ● incurrence of charges~~ **commercial matters, employment claims brought by** ~~or~~ **our** ~~assumption~~ **employees, product liability, product labeling, public statements and disclosures under securities laws, antitrust, advertising, consumer protection and wage and hour laws. Further, state or federal regulators could make inquiries and / or conduct investigations with respect to one or more** of ~~debt or~~ **our** ~~other~~ **products. We are subject to risk and uncertainties related to** liabilities **, including damages, fines, penalties, and substantial legal and related costs,** that **may result from these claims and litigation. Some or all of our expenditures to defend, settle, or litigate these matters may not be covered by insurance or** could ~~result~~ **impact our cost of, and ability to obtain, insurance** in ~~adverse tax consequences~~ **the future. Further, because of the potential risks, expenses, and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe** that ~~negatively affect~~ **we have meritorious claims** ~~our~~ - **or defenses. Any material legal proceedings (including class actions)** ~~operating results; ● difficulties or unforeseen expenditures while integrating the business~~ , ~~products~~ **disputes** , **claims, investigations, regulatory proceedings,** ~~and personnel of the acquired company; ● failure to realize anticipated synergies; ● disruption to our~~ - **or similar actions** ongoing business through the diversion of resources......, and the failure to do so could have a material adverse effect on our business, **results of operations, and** financial condition ~~and operating results~~ . **Our** ~~If we continue to grow rapidly, we may not be able to effectively manage the growth and increased complexity of our~~ business **reputation** and ~~, as a result,~~ our **relationship with** ~~business, financial condition and operating results could suffer. Our rapid growth has placed, and may continue to place, significant demands on~~ our ~~organizational, administrative and operational infrastructure, including manufacturing operations, supply chain, quality control, regulatory support, customer~~ **customers** ~~service~~ , **suppliers** ~~sales force management and general and financial administration. Further~~ , ~~we have a limited history of operating our legacy business~~ and ~~the acquired S & D business as a combined company. As we continue to grow and potentially acquire other businesses, we will need to continue building our operational, financial and management controls as well as our reporting systems and procedures. Managing our planned growth effectively may require us to: ● enhance our facilities and purchase additional equipment at our facilities; ● upgrade or enhance our information technology systems; ● expand our inventory and packaging throughput; and ● successfully hire, train and motivate additional~~ employees ~~. If our operations continue to grow rapidly, we~~ may ~~experience challenges in obtaining sufficient raw materials and manufacturing capacity to produce the products we sell, along with delays in production and shipments. We could~~ also be ~~required to continue to expand our sales and marketing, product development, and distribution capabilities or further expand our workforce. Any such expansion could strain our resources, expose us to new legal risks in new jurisdictions, and cause operating difficulties. If we are unable to manage our growth and increased complexity effectively, we may be unable to execute our business plan, which could lead to a material adverse effect on our business, financial condition and operating results. Fluctuations in our operating results~~ adversely **impacted** ~~affect our financial condition and cash flow, and may make it difficult to project future results and meet the earnings expectations of securities analysts or investors. Our rapid growth makes it difficult for us to forecast our future operating results, which have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are beyond our control. In addition to the other risks described herein, such factors include changes in accounting principles, fluctuations in the selling prices of our products, research reports and changes in financial estimates~~ by ~~analysts about us, our competitors or~~ **our** ~~our industry, strategic decisions by us or our competitors, such as acquisitions, capital investments or changes in business strategy, the depth and liquidity of the market for Common Shares, activism by any large stockholder or group of stockholders, speculation by the investment~~ -- **involvement** ~~community regarding our business, actual or anticipated growth rates relative to our competitors, terrorist acts, natural disasters, pandemics (including COVID- 19), perceptions of the investment opportunity associated with Common Shares relative to other investment alternatives, competition, changes~~ in consumer preferences and market trends (including...... may in the future become subject to legal proceedings ~~, disputes, claims, investigations, regulatory proceedings, or similar actions that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial matters, or employment claims brought by our employees. Further, state or federal regulators could make inquiries and / or conduct investigations with respect to one or more of our products. We may become a defendant in class action litigation, including litigation regarding employment practices, product labeling, public statements and disclosures under securities laws, antitrust, advertising, consumer protection and wage~~

~~and hour laws. Plaintiffs in class action litigation may seek to recover amounts that are large and may be indeterminable for some period of time. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and estimate, if possible, the amount of potential losses. We will establish a reserve as appropriate based upon assessments and estimates in accordance with our accounting policies. We will base our assessments, estimates and disclosures on the information available to us at the time and rely on legal and management judgment. Actual outcomes or losses may differ materially from assessments and estimates~~ . Even if any such litigation or claims lack merit, the process of defending against these claims may result in substantial costs to the business and divert management' s attention and resources, which can harm our business, operating results and financial condition. Any adverse publicity resulting from allegations made in litigation claims or legal proceedings may also adversely affect our reputation, which in turn could adversely affect our operating results ~~.~~ ~~In many countries, including the United States, we are subject to transfer pricing and other tax regulations designed to ensure that appropriate levels of income are reported as earned and are taxed accordingly. Although we believe that we are in substantial compliance with all applicable regulations and restrictions, we are subject to the risk that governmental authorities could audit our transfer pricing and related practices and assert that additional taxes are owed. In the event that the audits or assessments are concluded adversely to our positions, we may be required to pay additional taxes, interest, and penalties and we may or may not be able to offset or mitigate the consolidated effect of foreign income tax assessments through the use of U. S. foreign tax credits. As a result, our operations may be negatively impacted, our effective tax rate may increase, and our cash flows may be materially adversely affected. Because the laws and regulations governing U. S. foreign tax credits are complex and subject to periodic legislative amendment, we cannot be sure that we will in fact be able to take advantage of any foreign tax credits in the future. We may not always be in compliance with all applicable tax laws, including transfer pricing laws, despite our efforts to be aware of and to comply with such laws. In such case, we may need to adjust our operating procedures and, as a result, our financial condition, results of operations, and cash flows could be materially adversely affected~~ . We are increasingly dependent on information technology and our ability to process data in order to operate and sell our products, and if we are unable to protect against software and hardware vulnerabilities, service interruptions, data corruption, cyber- based attacks, ransomware or security breaches, or if we fail to comply with our commitments and assurances regarding the privacy and security of such data, our operations could be disrupted, our ability to provide our products could be interrupted, our reputation may be harmed and we may be exposed to liability and loss of customers and business. We rely on information technology networks and systems and data processing (some of which are managed by third- party service providers) to market, sell and deliver our products, to collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of and share personal information, confidential or proprietary information, financial information and other information, to manage a variety of business processes and activities, for financial reporting purposes, to operate our business, to process and fulfill orders, for legal and marketing purposes and to comply with regulatory, legal and tax requirements. These information technology networks and systems may be vulnerable to data security and privacy threats, cyber and otherwise. Moreover, the risk of unauthorized circumvention of our security measures or those of third parties on whom we rely has been heightened by advances in computer and software capabilities and the increasing sophistication of hackers ~~who employ complex techniques, including, without limitation, " phishing " or social engineering incidents, ransomware, extortion, account takeover attacks, denial or degradation of service attacks and malware~~ . Further, breaches experienced by other companies may also be leveraged against us ~~. For example, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent~~ . We have technology security initiatives and disaster recovery plans in place to mitigate our risk to these vulnerabilities, but these measures may not be adequately designed or implemented to ensure that our operations are not disrupted or that data security breaches do not occur. If our information technology networks and systems or data processing suffer damage, security breaches, vulnerabilities, disruption or shutdown, and we do not effectively resolve the issues in a timely manner, they could cause a material adverse impact to our business, reputation and financial condition. ~~Hackers and data thieves are increasingly sophisticated and operate large- scale and complex automated attacks, which may remain undetected until after they occur.~~ Despite our efforts to protect our information technology networks, systems and information, we may not be able to anticipate or to implement effective preventive and remedial measures against all data security and privacy threats. Our security measures may not be adequate to prevent or detect service interruption, system failure data loss or theft, or other material adverse consequences. No security solution, strategy or measures can address all possible security threats. Our applications, systems, networks, software and physical facilities could have material vulnerabilities, be breached or personal or confidential information could be otherwise compromised due to employee error or malfeasance ~~, if, for example, third parties attempt to fraudulently induce our personnel or our customers to disclose information or usernames and / or passwords, or otherwise compromise the security of our applications, systems, networks, software and / or physical facilities~~ . We cannot be certain that we will be able to address any such vulnerabilities, in whole or part, and there may be delays in developing and deploying patches and other remedial measures to adequately address vulnerabilities and taking such remedial steps could adversely impact or disrupt our operations. We expect similar issues to arise in the future as our products are more widely adopted, we continue to expand the features of existing products and introduce new products and we process, store, and transmit increasingly large amounts of personal and / or sensitive data. An actual or perceived breach of our security systems or those of our third- party service providers may require notification under applicable data privacy regulations or for customer relations or publicity purposes, which could result in reputational harm, costly litigation (including class action litigation), material contract breaches, liability, settlement costs, loss of sales, regulatory scrutiny, actions or investigations, loss of confidence in our business, diversion of management' s time and attention, and significant fines, penalties, assessments, fees and expenses ~~. The costs to respond to a security breach and / or to mitigate any security vulnerabilities that may be identified could be significant, and our efforts to address these problems may not be successful. These costs include, but are not limited to, retaining the services of cybersecurity providers; compliance costs arising out of~~

~~existing and future cybersecurity, data protection and privacy laws and regulations; and costs related to maintaining redundant networks, data backups and other damage- mitigation measures. We could be required to fundamentally change our business activities and practices in response to a security breach or related regulatory actions or litigation, which could have an adverse effect on our business. Additionally, most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities, and others of security breaches involving certain types of data. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to and / or alleviate problems caused by the actual or perceived security breach~~ . We may not have adequate insurance coverage for handling security incidents or breaches, including fines, judgments, settlements, penalties, costs, attorney' s fees and other impacts that arise out of incidents or breaches. The successful assertion of one or more large security incident or breach- related claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co- insurance requirements), could harm our business. In addition, we cannot be sure that our existing insurance coverage will continue to be available on acceptable terms or that our insurers will not deny coverage as to all or part of any future claim or loss. ~~Moreover, our privacy risks are likely to increase as we continue to expand, grow our customer base, and process, store, and transmit increasingly large amounts of personal and / or sensitive data. In addition, our cybersecurity risk could be increased as a result of the ongoing military conflict between Russia and Ukraine and the related sanctions imposed against Russia. We utilize a third- party monitoring service that constantly surveils for developing threats as part of our normal security programs, including with respect to any new cybersecurity threats that may be presented by the unfolding conflict between Russia and Ukraine.~~ The unauthorized access, theft, use or destruction of personal, financial or other confidential information relating to our customers, suppliers, employees or business could expose us to reputational damage and operational risk, negatively affect our business and expose us to potential liability. The protection of our customer, supplier, employee, and business data and confidential information is critical. We are subject to new and changing privacy and information security laws and standards that may require significant investments in technology and new operational processes. The use of electronic payment methods and collection of other personal information exposes us to increased risk of privacy and / or security breaches. We rely on commercially available systems, software, tools, and monitoring to provide security for processing, transmitting, and storing personal information from individuals, including our customers, suppliers and employees, and our security measures may not effectively prohibit others from obtaining improper access to such information. We also rely on third- party, cloud- based technologies, which results in third- party access and storage of business data and confidential information. Employees or third parties with whom we do business or to whom we outsource certain information technology or administrative services may attempt to circumvent security measures in order to misappropriate such information and may purposefully or inadvertently cause a breach involving such information. If we experience a data security breach of any kind or fail to respond appropriately to such incidents, we may experience a loss of or damage to critical data, suffer financial or reputational damage or penalties, or face exposure to negative publicity, government investigations and proceedings, private consumer or securities litigation, liability or costly response measures. In addition, our reputation within the business community and with our customers and suppliers may be affected, which could result in our customers and suppliers ceasing to do business with us, which could adversely affect our business and results of operations. We may become subject to intellectual property disputes or be forced to defend our intellectual property rights, which can be costly and may subject us to significant liability and increase our costs of doing business. Third parties may be able to successfully challenge, oppose, invalidate, render unenforceable, dilute, misappropriate or circumvent our trade secrets, trademarks, copyrights and other intellectual property rights. Our success depends, in part, on our ability to develop and commercialize our products and services without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. ~~However, we may not be aware that our products or services are infringing, misappropriating or otherwise violating third- party intellectual property rights, and such third parties may bring claims alleging such infringement, misappropriation or violation.~~ Actions we may take to enforce or defend our intellectual property rights may be expensive and divert management' s attention away from the ordinary operation of our business, and our inability to secure and protect our intellectual property rights could materially and adversely affect our brand and business, operating results, financial condition and prospects. Furthermore, such actions, even if successful, may not result in an adequate remedy or protection ~~. In addition, many companies have the capability to dedicate greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. If a third party is able to obtain an injunction preventing us from selling allegedly infringing products or services, or if we cannot license or develop alternative technology for any infringing aspect of our business, we would be forced to limit or stop sales of our products or services or cease business activities related to such intellectual property~~ . We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. Such claims could subject us to significant liability for damages and could result in our having to stop selling a product or service found to be in violation of a third party' s rights. ~~Further~~ **The covenants in our Credit Facilities and our future levels of indebtedness could materially and adversely affect our financial position** , **including reducing funds available** ~~we might be required to seek a license~~ for ~~third- party intellectual property, which may not be available on reasonable royalty or~~ other ~~terms. Alternatively, we could be required to develop an alternative non- infringing product or service, which could require significant effort and expense. If we cannot license or develop an acceptable alternative for any infringing aspect of our~~ business **purposes and reducing** ~~, we would be forced to limit our products or~~ **our** ~~services, which could affect our ability to compete effectively. Any of these results would harm our business, operating~~ **operational flexibility** ~~results, financial condition and prospects~~ . As of December 31, ~~2022~~ **2023** , we had outstanding total indebtedness of $ ~~216~~ **279** . ~~9~~ **0** million and $ ~~175~~ **110** . 0 million of undrawn borrowings available under our Revolving Credit Facility (other than $ 2. 6 million of standby letters of credit outstanding) ~~. As of the date of this Annual Report on Form 10- K~~ , ~~no borrowings have been made under the Delayed Draw~~

~~Term Loan Facility. Any subsequent additions to our indebtedness could impact our financial flexibility due to increased cash flows required to make required interest~~ and ~~principal payments. Greater demands on our funds may limit our ability to invest in our growth, including inhibiting our ability to meet working capital requirements, make capital expenditures or fund acquisitions. Increased indebtedness may also limit our ability to adjust to rapidly changing market conditions, making us more vulnerable to general adverse industry and economic conditions, which could create a competitive disadvantage relative to our competitors. In addition,~~ outstanding indebtedness under the Credit Agreement bears interest at a variable rate **. Any subsequent additions to our indebtedness or increases in market rate of interest increases could impact our financial flexibility due to increased cash flows required to make required interest and principal payments. Greater demands on our funds may limit our ability to invest in our growth, including inhibiting our ability to meet working capital requirements, make capital expenditures or fund acquisitions. Increased indebtedness may also limit our ability to adjust to rapidly changing market conditions** , making us **more** vulnerable to **general adverse industry and economic conditions** ~~increases in the market rate of interest. If the market rate of interest increases substantially, we will have to pay additional interest on this indebtedness~~ , which ~~would reduce cash available for our other business needs. Failure to make payments or comply with covenants under our applicable debt instruments~~ could **create** ~~result in an event of default. If an event of default occurs and the lender accelerates the amounts due, we may need to seek additional financing, which may not be available on acceptable terms, in~~ a ~~timely manner~~ **competitive disadvantage relative to** ~~or~~ **our competitors** ~~at all. In such event, we may not be able to make accelerated payments, and the lender could seek to enforce security interests in the collateral securing such indebtedness, which includes substantially all of our assets~~ . The Credit Agreement contains various affirmative and negative covenants that may, subject to specified significant exceptions, restrict our ability, including specified material subsidiaries, to incur debt and our ability, including specified material subsidiaries, to, among other things, have liens on our property, merge or consolidate with any other person or sell or convey assets above a specified minimum threshold to any one person, and engage in sale- and- leaseback transactions depending on the characterization of the proceeds. Our ability, including specified material subsidiaries, to comply with these provisions may be affected by events beyond our control. Failure to comply with these covenants **or make payments** could result in an event of default, which, if not cured or waived, could accelerate our repayment obligations and could result in a default and acceleration under other agreements containing cross- default provisions. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations ~~. If the financial institutions that are lenders under the Credit Agreement fail to extend credit under the facility, our liquidity and results of operations may be adversely affected. Each financial institution that is or becomes a lender under the Credit Agreement will be responsible on a several but not joint basis for providing a portion of the loans to be made under the facility. If any participant or group of participants with a significant portion of the commitments under the Credit Facility fails to satisfy its or their respective obligations to extend credit under the facility and we are unable to find a replacement for such participant or participants on a timely basis (if at all), our liquidity may be adversely affected~~ . Operating and growing our business may require additional capital, and if capital is not available to us, our business, operating results, financial condition and prospects may suffer. Operating and growing our business is expected to require further investments in our capabilities and operations. We may be presented with opportunities that we want to pursue, and unforeseen challenges may present themselves, any of which could cause us to require additional capital. If our cash needs exceed our expectations or we experience rapid growth, we could experience strain in our cash flow, which could adversely affect our operations in the event we are unable to obtain other sources of liquidity. If we seek to raise funds through equity or debt financing, those funds may prove to be unavailable, may only be available on terms that are not acceptable to us or may result in significant dilution to our then- existing stockholders or higher levels of leverage. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to pursue our business objectives, to grow both organically and through acquisitions, and to respond to business opportunities, challenges or unforeseen circumstances, could be significantly limited, and our business, operating results, financial condition and prospects could be materially and adversely affected. Exercise of redemption rights by the holders of our Series A Preferred Shares may adversely affect the cash that we have available for other purposes and our ability to execute our business strategy. After February 26, 2028 (i. e. the five- and- half year anniversary of the Closing), any holder of Series A Preferred Shares may require Westrock to redeem all or any whole number of such holder' s Series A Preferred Shares in cash, subject to applicable law and the terms of any credit agreement or similar arrangement pursuant to which a third- party lender provides debt financing to Westrock or its subsidiaries, at a redemption price per share equal to the greater of (a) the liquidation preference and (b) the product of (i) the number of Common Shares that would have been obtained from converting one Series A Preferred Share on the redemption notice date and (ii) the simple average of the daily volume- weighted average price per Common Share for the ten (10) trading days ending on and including the trading day immediately preceding the redemption notice date. Assuming that the liquidation preference of the Series A Preferred Shares remains $ 11. 50 per share and all 23, ~~587~~ **511** , ~~952~~ **922** Series A Preferred Shares remain outstanding after February 26, 2028, we estimate an aggregate redemption payment of at least approximately $ ~~271~~ **270** . ~~3~~ **4** million. If Westrock was required by the holders to redeem a significant number of Series A Preferred Shares, Westrock may not have enough cash available (including through draws on its credit facility) for other purposes such as servicing its debt, paying dividends on the Common Shares, repurchases of Common Shares, financing acquisitions or other expansions, paying employee incentives and executing its business strategy. An outflow of a significant amount of cash from Westrock as a result of redemptions of the Series A Preferred Shares may cause a deterioration in the financial condition of Westrock and our ability to pay our other obligations and / or execute our business strategy. The impact of such redemptions on Westrock will depend, among other things, on the financial condition of Westrock at the time of such redemptions, including the amount of available cash on hand and ability to draw on Westrock' s credit facilities or obtain other sources of financing, the business strategies and objectives of Westrock at that time and the magnitude of such redemptions. Additionally, we may reserve cash, refrain from pursuing other business objectives and / or direct cash away from other business objectives to ensure that we have sufficient available cash to satisfy holder redemptions and this may adversely affect our business, financial condition and ability to execute our business strategy. **A change in the assumptions used to value our goodwill or other intangible assets, or the impairment of our goodwill or intangible assets, could negatively impact our financial condition and operating results.** Goodwill represents the excess of cost over fair value of net assets acquired in a business combination. Impairment may result from significant changes in the manner of use of the acquired assets, negative industry, or economic trends, and / or any changes in key assumptions regarding our fair value. At December 31, ~~2022~~ **2023**, we had $ ~~114~~ **116**. ~~0~~ **1** million of goodwill on our Consolidated Balance ~~Sheet~~ **Sheets**. Any **negative industry** ~~further deterioration in our~~ - **or economic trends** ~~business related to the COVID- 19 pandemic~~, **such as** rising costs due to persistent inflationary impacts, continued increases in interest rates, or other market, industry, or operational trends, **and / or any changes in key assumptions** could result in further impairment of our goodwill, which would negatively impact our **reported** ~~financial conditions and~~ results of operations ~~. The premiums associated with our insurance continue to increase. General liability, fire, workers' compensation, directors' and officers' liability, life, employee medical, dental and vision, and automobile risks present a large potential liability. While we accrue for this liability based on historical claims experience, future claims may exceed claims we have incurred in the past. Should a different number of claims occur compared to what was estimated or the cost of the claims increase beyond what was anticipated, reserves recorded may not be sufficient, and the accruals may need to be adjusted accordingly in future periods. A successful claim against us that is not covered by insurance or is in excess of our reserves or available insurance limits could negatively affect our business, financial condition and results of operations. We maintain finished goods product coverage in amounts we believe to be adequate. However, we cannot assure stockholders that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage. Moreover, claims or liabilities of this sort might not be covered by our insurance or by any rights of indemnity or contribution that we may have against others. A product liability judgment against us or a product recall or the damage to our reputation resulting therefrom could have a material adverse effect on our business, consolidated financial condition, results of operations or liquidity. Exposure to additional income tax liabilities could negatively affect our future profitability. We are subject to income taxes in the United States and in various jurisdictions outside the United States. Our effective tax rate and profitability could be subject to volatility or adversely affected by a number of factors, including: ● changes in applicable tax laws and regulations, or their interpretation and application, including the possibility of retroactive effect; ● changes in accounting and tax standards or practice; ● changes in the mix of earnings and losses in various jurisdictions with differing tax rates; ● changes in the valuation of deferred tax assets and liabilities; and ● our operating results before taxes. In addition, we may be subject to audits of our income, sales and other taxes by U. S. federal, state and local and non- U. S. taxing authorities. Outcomes from these audits could have a material and adverse effect on our operating results, financial condition and prospects~~. Changes in tax laws may adversely affect us, and the IRS, other tax authorities, or a court may disagree with our tax positions, which may result in adverse effects on our financial condition or the value of our Common Shares. Our tax position could be impacted by changes in U. S. federal, state and local and non- U. S. tax laws and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. Any of the foregoing changes may have a material adverse impact on our results of operations, cash flows, and financial condition. There can be no assurance that future tax law changes will not increase the rate of the corporate income tax significantly, impose new limitations on deductions, credits or other tax benefits, or make other changes that may adversely affect our business, cash flows or financial performance. The likelihood of such changes being enacted or implemented is unclear. Any of these developments or changes in federal, state and local and non- U. S. tax laws could adversely affect our effective tax rate and our operating results. In addition, the administrative interpretations, decisions, policies and positions of the IRS and various other taxing authorities with respect to current and future tax laws may be subject to significant change and such guidance could ultimately increase or lessen the impact of such tax laws on our business and financial condition. In the absence of such guidance, we will take positions with respect to a number of unsettled issues. There is no assurance that the IRS, any other tax authorities, or a court will agree with the positions taken by us, in which case tax penalties and interest may be imposed that could adversely affect our business, cash flows or financial performance. Westrock has identified **, and may in the future identify additional,** material weaknesses in its **internal control over financial reporting or fail to maintain effective** internal control over financial reporting, which may result in material misstatements of Westrock' s consolidated financial statements or cause Westrock to fail to meet its periodic reporting obligations. As further described in Item 9A of this Annual Report on Form 10- K, Westrock has identified material weaknesses in its internal control over financial reporting. ~~A~~ **As a result, management has concluded that, because of these** material ~~weakness~~ **weaknesses** ~~is a deficiency~~, ~~or~~ **our** ~~combination of deficiencies, in~~ internal control over financial reporting ~~such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As a result, management has concluded that, because of these material weaknesses, our internal control over financial reporting~~ and our disclosure controls and procedures were not effective as of December 31, ~~2022~~ **2023**. As further discussed in Item 9A of this Annual Report on Form 10- K, Westrock has taken and is taking certain measures to remediate the material weaknesses. Notwithstanding these measures or efforts, there is no assurance that any remediation efforts will ultimately have the intended effects. Additionally, these remediation measures **, as** ~~will~~ **well** ~~be~~ **as testing and maintaining controls, are** time consuming, ~~will~~ result in Westrock incurring significant costs, and ~~will~~ place significant demands on our financial and operational resources. If we **(i)** fail to complete the remediation of these material weaknesses, or after having remediated such material weakness, thereafter fail to maintain the effectiveness of our internal control over financial reporting or our disclosure controls and procedures, **(ii)** we could be subjected to regulatory scrutiny...... on a timely basis. Westrock may identify additional material weaknesses **(iii)** ~~in the future or fail to maintain effective internal control over financial reporting, which may result in material misstatements of Westrock' s consolidated financial statements. As a result, investors may lose confidence in the accuracy of our financial reports, which would harm our business and the trading price of our Common~~

~~Shares. To comply with the requirements of being a public company, Westrock has undertaken various actions, and will take additional actions, such as remediating the material weaknesses described above, implementing additional internal controls and procedures and hiring internal audit staff or consultants. Testing and maintaining internal controls can divert our management' s attention from other matters that are important to the operation of our business. Additionally, when evaluating internal controls over financial reporting, Westrock may identify additional material weaknesses that it may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes- Oxley Act. If Westrock identifies any additional material weaknesses in its internal control over financial reporting or is unable to remediate the material weakness described above or comply with the requirements of Section 404 of the Sarbanes- Oxley Act in a timely manner or~~ if Westrock' s independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting once it is no longer an emerging growth company ~~,~~ or **(iv)** if Westrock is unable to conclude in our quarterly and annual reports that our disclosure controls and procedures are effective, ~~investors may lose confidence in~~ **we could be subjected to regulatory scrutiny, civil or criminal penalties or shareholder litigation, the defense of any of which could cause the diversion of management' s attention and resources, we could incur significant legal and** ~~the~~ **other** ~~other~~ expenses,and we could be required to pay damages to settle such actions if any such actions were not resolved in our favor.Continued or future failure to maintain effective internal control over financial reporting could also result in financial statements that do not accurately reflect our financial condition or results of operations.There can be no assurance that we will not conclude in the future that the existing material weaknesses continue to exist or that we will not identify any significant deficiencies or other material weaknesses that will impair our ability to report our financial condition and results of operations accurately or on a timely basis. **The** accuracy ~~and completeness~~ of Westrock' s financial ~~reports~~ **statements** and **related disclosures** ~~the market price of our Common Shares~~ could be ~~negatively~~ **adversely** affected ~~, and Westrock could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. In addition,~~ if ~~Westrock fails to remediate any material weakness, including~~ the **judgments** ~~material weakness described above~~ , **assumptions** ~~our~~ **or estimates used in** ~~financial statements could be inaccurate and Westrock could face restricted access to capital markets. Westrock is subject to laws and regulations enacted by national, regional and local governments. In particular, it is required to comply with SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on~~ Westrock' s **critical accounting policies are inaccurate** ~~business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on Westrock' s business and results of operations~~ . The preparation of financial statements and related disclosure in conformity with GAAP requires us to make judgments, assumptions and estimates that affect the amounts reported in Westrock' s consolidated financial statements and related notes. **If** ~~Westrock' s critical accounting policies, which are included in the section captioned " Management' s Discussion and Analysis of Financial Condition and Results of Operations " in this Annual Report, describe those significant accounting policies and methods used in the preparation of Westrock' s consolidated financial statements that Westrock considers " critical " because they require judgments, assumptions and estimates that materially affect Westrock' s consolidated financial statements and related disclosures. As a result, if~~ future events differ significantly from the judgments, assumptions and estimates in Westrock' s critical accounting policies, those events or assumptions could have a material impact on Westrock' s consolidated financial statements and related disclosures. In addition, changes in accounting interpretations or assumptions could impact Westrock' s financial statements and Westrock' s ability to timely prepare Westrock' s financial statements. Westrock' s inability to timely prepare Westrock' s financial statements in the future could materially and adversely affect Westrock' s share price. Westrock' s board of directors and management have significant control over Westrock' s business. As of December 31, ~~2022~~ **2023** , Westrock' s directors and executive officers beneficially own, directly or indirectly, in the aggregate, approximately ~~41~~ **33** , ~~573~~ **210** , ~~543~~ **832** shares of Common Shares, representing an aggregate of approximately ~~42~~ **29** . ~~0~~ **8** % of the combined voting power of Westrock' s outstanding capital stock (excluding any Warrants, options or other securities exercisable for Common Shares). As a result, in addition to their day- to- day management roles, Westrock' s executive officers and directors are able to exercise significant influence on Westrock' s business as stockholders, including influence over election of members of the board of directors and the authorization of other corporate actions requiring stockholder approval. Certain provisions in Westrock' s certificate of incorporation and bylaws, the Investor Rights Agreement and of Delaware law may prevent or delay attempts to acquire a controlling interest in Westrock, which could decrease the trading price of Common Shares. Westrock' s certificate of incorporation and bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the bidder and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others, ~~those establishing: • the division of~~ our ~~board of directors until the 2028 meeting of our stockholders into three classes of directors, with each class serving a staggered three- year term, and this~~ classified board **structure,** ~~provision could have the effect of making the replacement of incumbent directors more time- consuming and difficult; •~~ the inability of our stockholders to call a special meeting **,** ~~; •~~ rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings **,** ~~; •~~ the right of our board of directors to issue preferred stock without stockholder approval **,** ~~; •~~ the inability of stockholders to remove directors without cause until the class to which such directors belong is declassified **,** ~~; •~~ the ability of our directors, not our stockholders, to fill vacancies on the board of directors ~~;~~ and ~~•~~ certain ~~terms~~ **rights** of the Series A Preferred **shareholders** ~~Shares, including the (i) rights of the holders of the Series A Preferred Shares to vote as a separate class with respect to certain matters, including amendments to the certificate of incorporation and bylaws of Westrock that would adversely affect the rights, preferences, privileges, voting power or special rights of the Series A Preferred Shares~~

~~and, for so long as the BBH Investors own at least sixty percent (60 %) of the Series A Preferred Shares that they owned as of August 26, 2022, any Fundamental Change in which the holders of Series A Preferred Shares would receive less than $ 18. 50 per share (subject to customary adjustments), and (ii) the rights of the Preferred Shares in a Fundamental Change to receive at least a specified amount~~ . On ~~April 4~~ **June 29** , ~~2022~~ **2023** , Westrock entered into the **Amended and Restated** Investor Rights Agreement **(the " Amended and Restated Investor Rights Agreement ")** with (i) Westrock Group, LLC, The Stephens Group, LLC, Sowell Westrock, L. P. and any affiliate of Joe T. Ford, Scott T. Ford, Witt Stephens, Jim Sowell or their respective families that becomes an owner of any shares of Westrock' s common stock from another WCC Investor and becomes a party to the **Amended and Restated** Investor Rights Agreement, so long as such person remains an affiliate of Joe T. Ford, Scott T. Ford, Witt Stephens, Jim Sowell or their families (the " WCC Investors ") **,** (ii) BBH Capital Partners V, L. P., BBH Capital Partners V- A, L. P., BBH CPV WCC Co- Investment LLC, and any controlled affiliate of Brown Brothers Harriman & Co. (the " BBH Investors ") that becomes an owner of any shares of Westrock' s common stock or the Series A Convertible Preferred Stock from another BBH Investor and becomes a party to the **Amended and Restated** Investor Rights Agreement, so long as such person remains a controlled affiliate of Brown Brothers Harriman & Co. ~~and~~ **,** (iii) Riverview Sponsor Partners, LLC **and any controlled affiliate of Brad Martin that becomes an owner of any shares of Westrock' s common stock from another RVAC Investor and becomes a party to the Amended and Restated Investor Rights Agreement, so long as such person remains an affiliate of Brad Martin** (**the** " ~~Riverview Sponsor~~ **RVAC Investors** ") **and (iv) HF Direct Investments Pool** , ~~which also~~ **LLC and any controlled affiliate of HF Capital, LLC that becomes an owner of any shares of Westrock' s common stock from another HF Investor and becomes a party to the Amended and Restated Investor Rights Agreement, so long as such person remains an affiliate of HF Capital, LLC (the " HF Investors " together with the WCC Investors, BBH Investors and RVAC Investors, the " Investor Parties "). The Amended and Restated Investor Rights Agreement** contains certain provisions that may prevent or delay attempts to acquire a controlling interest in Westrock **,** ~~. These include~~ **including** ~~the following provisions: ● The~~ board **designation** ~~of directors is required to consist of ten directors~~ and ~~each of the~~ **other approval** ~~WCC Investors, the BBH Investors and Riverview Sponsor are entitled to nominate for inclusion in Westrock' s slate of individuals for election to the board of directors two directors if they (or, in the case of Riverview Sponsor, a specified reference group) own at least 10 % of the outstanding stock of Westrock and one director if they (or, in the case of Riverview Sponsor, a specified reference group) own at least 5 % but less 10 % of the outstanding stock of Westrock. ● Any increase or decrease of the size of the Westrock board of directors above or below ten directors requires the consent of each of the WCC Investors, the BBH Investors and Riverview Sponsor, so long as they have the right~~ **rights of** ~~to designate at least one director. ● If an Escalation Event is ongoing during the period during which the BBH Investors have the right to designate at least one director pursuant to~~ the Investor **Parties** ~~Rights Agreement, Westrock may not take specified actions, that would require lender consent under the Credit Facility, without the consent of the BBH Investors~~ . In addition, because Westrock does not elect to be exempt from Section 203 of the DGCL, this provision could also delay or prevent a change of control that you may favor. Section 203 of the DGCL provides that, subject to limited exceptions, a person that acquires, or is affiliated with a person that acquires, more than 15 % of the outstanding voting stock of a Delaware corporation (an " interested stockholder ") must not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three- year period following the date on which the person became an interested stockholder, unless (i) prior to such time, the board of directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85 % of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the board of directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two- thirds of the outstanding voting stock of such corporation not owned by the interested stockholder. Westrock is an " emerging growth company, " and the reduced disclosure requirements applicable to emerging growth companies may make the Common Shares less attractive to investors. Westrock is an " emerging growth company, " as defined in the JOBS Act. ~~Westrock could continue to be considered an emerging growth company for up to five years, although Westrock would lose that status sooner if Westrock' s gross revenues exceed $ 1. 235 billion, if it issues more than $ 1 billion in nonconvertible debt in a three- year period, or if the fair value of Common Shares held by non- affiliates exceeds $ 700 million as of the last business day of our most recently completed second fiscal quarter (and Westrock has been a public company for at least 12 months and has filed one annual report on Form 10- K).~~ For as long as Westrock continues to be an emerging growth company, Westrock may take advantage of exemptions from various reporting requirements that apply to other public companies that are not emerging growth companies ~~, including reduced disclosure obligations regarding executive compensation in Westrock' s periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved~~ . It is unclear whether investors will find Common Shares less attractive because Westrock may rely on these exemptions. If some investors find Common Shares less attractive as a result, there may be a less active trading market for Common Shares, and Westrock' s stock price may be more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Westrock has elected to avail itself of this exemption from new or revised accounting standards ~~and, therefore, while Westrock is an emerging growth company, Westrock will not be subject to new or revised accounting standards at the same time that they~~

~~become applicable to other public companies that are not emerging growth companies~~ . As a result, Westrock' s financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates, and Westrock will incur additional costs in connection with complying with the accounting standards applicable to public companies at such time or times as they become applicable to Westrock. Any proceeds that we may receive from the exercise of the Warrants is highly dependent on the price of our Common Shares. As of December 31, ~~2022~~ **2023** , we ~~have~~ **had** 19, ~~372~~ **144** , ~~916~~ **120** outstanding warrants to purchase ~~our~~ **19, 144, 120** Common Shares (the " Warrants ") **, exercisable at an exercise price of $ 11. 50 per share** , which expire on the earliest to occur of August 26, 2027 (i. e. the five year anniversary of the Closing), redemption or liquidation. The exercise of Warrants, and any proceeds we may receive from their exercise, are highly dependent on the price of our Common Shares and the spread between the exercise price of the Warrant and the price of our Common Shares at the time of exercise. For example, to the extent that the price of our Common Shares exceeds $ 11. 50 per share, it is more likely that holders of our Warrants will exercise their Warrants. If the price of our Common Shares is less than $ 11. 50 per share, it is unlikely that such holders will exercise their Warrants. ~~As of December 30, 2022 (the last trading day of 2022), the closing price of our Common Shares was $ 13. 36 per share, which is greater than the Warrant exercise price of $ 11. 50.~~ Even if our ~~Warrants~~ **warrants** are in the money, there can be no assurance that ~~Warrant~~ **warrant** holders will exercise their ~~Warrants~~ **warrants** prior to their expiration. Our **Westrock** ~~Warrants that are listed on the NASDAQ (the "~~ Public Warrants ~~"),~~ under certain conditions **,** as described in their warrant agreement, are redeemable by the Company at a price of $ 0. 01 per warrant or ~~exercised~~ on a cashless basis. Our **Westrock** ~~Warrants that are not listed on the NASDAQ (the "~~ Private Placement Warrants ~~")~~ are not redeemable so long as they are held by **the** Riverview Sponsor **Partners, LLC** or its permitted transferees ~~(except as otherwise set forth herein)~~ . As such, it is possible that we may never generate any or only very limited cash proceeds from the exercise of our ~~Warrants~~ **warrants** . **To the extent such warrants are exercised, additional Common Shares will be issued, which will result in dilution to the holders of our Common Shares and increase the number of Common Shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Common Shares, which increases the likelihood of periods when our warrants will not be in the money prior to their expiration. Risks Related to Our Industry** Increases in the cost of green coffee may not be able to be passed through to customers, which could adversely impact our gross margins and profitability. Our primary raw material green coffee is an exchange- traded agricultural commodity that is subject to price fluctuations, depending on a variety of factors, including outside speculative influences such as indexed and algorithmic commodity funds, climate patterns in coffee- producing countries, economic and political conditions affecting coffee- producing countries such as unrest and armed conflict, foreign currency fluctuations, real or perceived supply shortages, crop disease (such as coffee rust) and pests, general increase in farm inputs and costs of production, an increase in green coffee purchased and sold on a negotiated basis rather than directly on commodity markets in response to higher production costs relative to " C " market prices, acts of terrorism, pandemics or other disease outbreaks ~~(including the COVID- 19 pandemic)~~ , government actions and trade barriers or tariffs, and the actions of producer organizations that have historically attempted to influence green coffee prices through agreements establishing export quotas or by otherwise limiting coffee supplies. Additionally, specialty green coffees tend to trade on a negotiated basis at a premium above the " C " market price. Such premium, depending on the supply and demand at the time of purchase, may be significant. Depending on contractual limitations, we may be unable to pass these costs on to our customers by increasing the price of products. If we are unable to increase prices sufficiently to offset increased input costs, or if our sales volume decreases as a result of price increases, our operating results and financial condition may be adversely affected. Additionally, if we are unable to purchase sufficient quantities of green coffee due to any of the factors described herein or a worldwide or regional shortage, we may not be able to fulfill the demand for our products, which could have an adverse impact on our business and financial results. We have historically utilized, and expect to continue to utilize, various types of derivative instruments, including forward contracts, futures contracts, and option contracts to hedge our exposure to the commodities price variability of green coffee. Our hedging strategy is an important part of our business model as it allows us to fix raw materials costs for inventory needed to grow our business, while minimizing the margin volatility associated with fluctuations in the prices of green coffee. As part of that strategy, we track the spread between sales price and material costs as a means of determining the efficiency of our pricing strategy. While our derivatives strategy may mitigate the impacts of volatile green coffee prices, no strategy can eliminate all pricing risks, and we generally remain exposed to supply risk in the event of nonperformance by the counterparties in any one of our physical contracts. Failure to properly execute an effective hedging strategy with respect to the price of green coffee may materially adversely affect our business and operating results. ~~Recently, there has been heightened volatility in the " C " market price that has driven prices, at times, to five- year highs. This volatility has been driven by uncertainty over several factors, including the impact of weather patterns in coffee producing regions, global supply chain constraints and shipping shortages, and speculative trading. Specifically, severe frosts and drought in Brazil threaten to negatively impact crop yields for multiple harvests, which could reduce supply and increase costs. As noted above, while these derivative instruments allow us to hedge the " C " market price volatility for a portion of our green coffee supply, our hedging strategy cannot completely mitigate our exposure to the " C " market price risk.~~ Fluctuations in other commodity prices and in the availability of certain of our ingredients and packaging materials could negatively affect our margins and profitability. In addition to green coffee, our other commodity inputs are also exposed to the risk of cost fluctuations. These inputs include tea, spices, **sugar, dairy** and the materials used in our packaging, such as carton board and plastic. Although these commodities are available from a number of sources, we have very little control over the factors that can influence the prices we pay, including economic and political conditions, foreign currency fluctuations, transportation and storage costs, export restrictions, weather conditions and global climate patterns, and natural disasters (including floods, droughts, frosts, earthquakes and hurricanes). Changes in the prices we pay may take place on a monthly, quarterly or annual basis depending on the product and supplier. We do not purchase any derivative instruments to hedge cost fluctuations in these other commodities like we do with respect to green coffee, but we may do so in the future. As a result, to the extent we are unable to pass along such costs through price increases, our margins and profitability will decrease. High and volatile commodity prices can also place more pressures on short- term working capital funding. Additionally, if as a result of these factors, we are unable to obtain these commodities, we may not be able to fulfill the demand for our products, which could have an adverse impact on our business and financial results. We are subject to risks associated with operating a coffee trading business and a coffee exporting business, including those associated with the availability and prices of green coffee. Falcon, our coffee trading business headquartered in the United Kingdom, operates as a separate subsidiary, and we maintain a coffee exporting business in Peru. RTC, our coffee exporting business headquartered in Rwanda, is also operated as a separate subsidiary. As a purchaser and reseller of coffee, Falcon engages in commodity hedging and is reliant on third- party logistics suppliers to fulfill its commitments. Disruptions in Falcon' s supply chain could result in the failure to deliver on commitments, which could adversely impact Falcon' s business, cash flows and financial performance. Both RTC and Falcon rely on third party financing sources to purchase coffee for resale, and in each case, the failure to maintain an adequate source of working capital would have a material adverse impact on their respective businesses, cash flows and financial performance. The availability and prices of green coffee are subject to wide fluctuations, including impacts from factors outside of our control such as changes in weather conditions, climate change, rising sea levels, crop disease, plantings, government programs and policies, competition, and changes in global demand. These price fluctuations can adversely affect the business of each of Falcon and RTC. **We are exposed to risks associated with the interruption of supply and increased costs as a result of our reliance on third- party transportation carriers for shipment of our products.** Our ~~ability~~ **business depends on our relations with key suppliers** to maintain **a steady supply of green coffee and tea. If any of these supply relationships deteriorate** ~~our~~ - **or we are unable to renegotiate contracts with suppliers (with similar or more favorable terms) or find alternative sources for supply, we may be unable to procure a sufficient quantity of** high- quality coffee ~~product offering depends~~ **beans, tea and other raw materials at prices acceptable to us or at all which could negatively affect our results of operations. Further, nonperformance by suppliers could expose us to supply risk under coffee purchase commitments for delivery** in ~~part on~~ **the future. Additionally, supply is affected by many factors in the coffee- growing countries including weather, pest damage, economic conditions, acts of terrorism, as well as efforts by coffee growers to expand or form cartels or associations. Our operations are also exposed to the political and social environment of the emerging and less developed markets from which we source coffee beans, including Africa, Indonesia, and Central and South America. These regions have the potential for civil and political unrest, and such instability could affect** our ability to **purchase coffee** ~~acquire ingredients that meet our specifications~~ from ~~reliable suppliers. To date, notwithstanding the~~ **those** ~~current~~ **regions. If green coffee beans from a region become unavailable or prohibitively expensive, we could be forced to use alternative coffee beans or discontinue certain blends, which could adversely impact our sales. Any material interruption in our** supply chain **, such as material interruption of roasted coffee supply due to the casualty loss at any of our roasting plants or suppliers, interruptions in service by our third- party logistic service providers or common carriers that ship goods within our** ~~disruptions~~ -- **distribution** ~~which we believe have contributed to~~ **channels, trade restrictions, such as** increased ~~costs~~ **tariffs or quotas** , ~~deliveries have been consistent~~ **embargoes or customs restrictions, pandemics, social or labor unrest, natural disasters or political disputes** and ~~not~~ **military conflicts that cause** a ~~source of~~ material disruption ~~to~~ **in our supply chain could have a negative impact on** our business **and our profitability** . **Product** ~~However,~~ shortages ~~or interruptions in the supply of ingredients caused by unanticipated demand, problems in production or distribution, coffee bean contamination, inclement weather or other conditions~~ could ~~adversely affect the availability and quality~~ **result in disruptions in our ability to deliver products to our customers, a deterioration** of **our relationship with our customers, decreased revenues** ~~our~~ - **or an inability to expand** ~~ingredients in the future, which could harm~~ our business ~~, financial condition or results of operations. If any of our distributors or suppliers performs inadequately, or our distribution or supply relationships are materially disrupted for any reason, our business, financial condition or results of operations could be adversely affected. If we cannot replace or engage distributors or suppliers who meet our specifications in a short period of time, that could increase our expenses and cause coffee shortages, which could cause a customer to purchase less of our coffee products. If that were to happen, affected customers could experience significant reductions in sales during the shortage or thereafter, if coffee drinkers change their preferences as a result. This reduction in sales could materially adversely affect our business, financial condition or results of operations. In addition, our approach to competing in the beverage industry depends in large part on our continued ability to provide coffee products that are sustainably sourced. As we increase our use of these ingredients, the ability of our suppliers to expand output or otherwise increase their supplies to meet our needs may be constrained. We could face difficulties to obtain a sufficient and consistent supply of these ingredients on a cost- effective basis~~ . The industry for coffee and liquid extract consumables is highly competitive, resulting in a high degree of competitive pressure on our products. Our inability to maintain or grow market share through continued differentiation of our products and competitive pricing could adversely affect our financial condition, operating results and cash flow. Our industry is highly competitive, including with respect to price, product quality and sourcing techniques, and competition could become increasingly intense due to the relatively low barriers to entry and industry consolidation. We face competition from many sources that vary in size and sophistication, including institutional foodservice divisions of multinational manufacturers of retail products, wholesale foodservice distributors, regional and national coffee roasters, specialty coffee suppliers, and retail brand beverage manufacturers, many of which have greater financial and other resources than we do and may have lower fixed costs and / or are substantially less leveraged than our company. Competitive pressures can, among other things, restrict our ability to increase prices and maintain price increases in response to commodity and other cost increases. Our inability to effectively assess, timely adapt and properly set pricing may negatively affect our ability to achieve the objectives of such price increases. We consider our roasting and blending methods essential to the flavor and richness of our coffees. Because our roasting methods cannot be patented, we would be unable to prevent competitors from copying these methods if such methods became known. In addition, competitors may be able to develop roasting or blending methods that are more advanced than our production methods, which may also harm our competitive position. **Quality control problems** ~~Increased competition in coffee~~ or ~~other beverage channels may~~ **food safety issues could** adversely affect **our** sales **and brand reputation, lead to** ~~of our products. If we do not succeed in differentiating ourselves through our~~ product **recalls** ~~offerings or if we are not effective in setting proper pricing, then our~~ - **or** ~~competitive position may be weakened, we could fail to retain our existing customer base, and our sales and profitability may decline. Our inability to secure an adequate supply of key raw materials, including green coffee and tea, or disruption in our supply chain, could~~ result in ~~increased costs and adversely affect our business. Our business depends on our relations with key suppliers to maintain a steady supply of green coffee and tea. If any of these supply relationships deteriorate or we are unable to renegotiate contracts with suppliers (with similar or more favorable terms) or find alternative sources for supply, we may be unable to procure a sufficient quantity of high- quality coffee beans, tea and other raw materials at prices acceptable to us or at all which could negatively affect our results of operations. Further, nonperformance by suppliers could expose us to supply risk under coffee purchase commitments for delivery in the future. Additionally, supply is affected by many factors in the coffee- growing countries including weather, pest damage, economic conditions, acts of terrorism, as well as efforts by coffee growers to expand or form cartels or associations. Our operations are also exposed to the political and social environment of the emerging and less developed markets from which we source coffee beans, including Africa, Indonesia, and Central and South America. These regions have the potential for civil and political unrest, and such instability could affect our ability to purchase coffee from those regions. If green coffee beans from a region become unavailable or prohibitively expensive, we could be forced to use alternative coffee beans or discontinue certain blends, which could adversely impact our sales. Any material interruption in our supply chain, such as material interruption of roasted coffee supply due to the casualty loss at any of our roasting plants or suppliers, interruptions in service by our third- party logistic service providers or common carriers that ship goods within our distribution channels, trade restrictions, such as increased tariffs or quotas, embargoes or customs restrictions, pandemics, social or labor unrest, natural disasters or political disputes and military conflicts that cause a material disruption in our supply chain could have a negative impact on our business and our profitability. Product shortages could result in disruptions in our ability to deliver products~~ - **product** ~~to our customers, a deterioration of our relationship with our customers, decreased revenues or an inability~~ - **liability claims** ~~to expand our business~~. Selling products for human consumption involves inherent legal risks. Our success depends on our ability to provide customers with high- quality products and service. Although we take measures to ensure that we sell only fresh products, we have no control over our products once they are purchased by our customers. Additionally, clean water is critical to the preparation of coffee, tea and other beverages, and we have no ability to ensure that our customers use a clean water supply to prepare these beverages. Instances or reports of food safety issues involving our products, whether or not accurate, such as unclean water supply, food or beverage- borne illnesses, tampering, contamination, mislabeling, or other food or beverage safety issues, including due to the failure of our third- party co- packers to maintain the quality of our products and to comply with our product specifications, could damage the value of our brands, negatively impact sales of our products, and potentially lead to product recalls, production interruptions, product liability claims, litigation or damages. **We maintain product liability insurance coverage in amounts we believe to be adequate. However, we cannot assure stockholders that we will not incur claims or liabilities that exceed the amount of our insurance coverage.** A significant product liability claim **(whether or not successful), a product liability judgment** against us ~~, whether or not successful,~~ or a widespread product recall ~~, may reduce our~~ - **or** ~~sales and harm~~ **the damage to our reputation resulting therefrom could have a material adverse effect on** our business **, consolidated financial condition, results of operations or liquidity. Climate change, severe weather patterns, and water scarcity could have a material adverse effect on our business and results of operations** . Increasing concentrations of carbon dioxide and other greenhouse gases in the atmosphere will continue to have an adverse effect on global temperatures, weather patterns, and the frequency and severity of extreme weather events and natural disasters. Coffee growing countries have been dramatically affected by these climate changes. The rainy and dry seasons are becoming unpredictable in their start and length, which is affecting the development of coffee cherries. These weather pattern changes, by reducing agricultural productivity in certain regions, may reduce the supply and quality of important agricultural ingredients for our products and drive up their costs, and this could have a material adverse effect on our business, financial condition, or results of operations. Water is used throughout the production of coffee from growing at the farm, cooling the beans after roasting, and brewing products for consumption. Scarcity of water sources in our supply chain could also constrain our supply and increase costs. In addition to these impacts, more frequently occurring or longer- duration extreme weather events or increased severity of such conditions could disrupt our supply chain, damage our production capabilities and reduce demand for our products. As a result, the changing global climate could adversely affect our long- term performance **. Our business may fluctuate as a result of seasonality** . The coffee and tea market is subject to some seasonal variations. Sales of hot coffee products are typically higher during the winter months compared to the summer months. Most of our customers define " coffee season " as mid- September through April. Our quarterly operating results may fluctuate as a result of these seasonal trends. If we are unable to adjust our production to these seasonal variations, we may not be able to fulfill demand for our products or we may overproduce our products, either of which could adversely affect our performance. ~~In fiscal years 2020~~ **Risks Related to General Economic** and ~~2021, the~~ **Other** ~~COVID- 19 pandemic had a material impact~~ **Conditions Our business, revenue and profits and the businesses of our suppliers and our customers depend** on ~~our financial condition and results of operations. The measures taken around the country to contain the spread of the virus adversely affected our business and those~~ -- **the level** of ~~our customers~~ - **customer spending** ~~. The outbreak led to the implementation of restrictive measures by federal, state and local government authorities in an effort to contain COVID- 19. These measures included travel bans and restrictions, quarantines, shelter- in- place orders, and shutdowns and constrained our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. While almost all of these~~

~~restrictions have been eased, the emergence of new variants or~~ **for discretionary items,** ~~sub- variants of COVID- 19 (some of~~ which **is sensitive to general** ~~may be more transmissible or more lethal) may result in the reinstitution of certain of the restrictions and increased~~ economic ~~uncertainty, which could have a material adverse effect on our financial condition~~ **conditions** and **other factors** ~~results of operations~~ . Our products are discretionary items for end- use customers **, and customer demand is highly sensitive to changes in overall economic, political and other conditions that impact consumer confidence and spending. Global economic forces and conditions beyond our control affect our business both directly and indirectly through the business of our suppliers and our customers** . Therefore, the success of our business depends significantly on economic factors and trends in consumer spending. There are a number of factors that influence consumer spending, including actual and perceived economic conditions, consumer confidence, disposable consumer income, consumer credit availability, unemployment, ~~and~~ **inflation, interest rates, energy costs (including the price of gasoline),** tax rates in the markets where our products are sold to end- use customers **, global conflicts, natural disasters, climate change, acts of terrorism and public health issues (such as the COVID- 19 pandemic, which had a material impact on our financial condition in fiscal years 2020 and 2021). For example, in response to the COVID- 19 pandemic, the response and restrictive measures taken around the country (e. g., travel bans and restrictions, quarantines, shelter- in- place orders, and shutdowns) to contain the spread of the virus adversely affected our business by, among other things, constraining our workforce and operations and the operations of our customers, vendors and suppliers** . Consumers also have discretion as to where to spend their disposable income and may choose to **forgo our products or** purchase other items. As global economic **and other** conditions continue to be volatile, and economic uncertainty remains, trends in consumer discretionary spending ~~also~~ **and levels of disposable income** remain unpredictable and subject to declines. Any of these factors could harm discretionary consumer spending, resulting in a reduction in demand for our products, decreased prices, increased costs to make sales, and harm to our business and results of operations. ~~Global economic forces and conditions beyond our control affect our business both directly and indirectly through the business of our suppliers. We depend on developing and maintaining close relationships with our suppliers to sell us quality products on favorable terms. These relationships can be harmed by macro- economic factors beyond our control, including a general decline in the economy and economic conditions, the ongoing war between Russia and Ukraine, and inflation in the costs for goods and services. These events could negatively influence our suppliers, making it more difficult for them to meet their delivery and product- quality obligations to us. The Westrock board of directors is responsible for overseeing the risks to Westrock related to the ongoing conflict between Russia and Ukraine. The Westrock board of directors has been routinely evaluating with Westrock' s management and its financial advisors the possible impact of such conflict on Westrock, including increased risk of cybersecurity attacks, supply chain disruptions and commodity price increases. As Westrock does not have direct operations or material direct customers in Russia or Ukraine, the direct impact of the ongoing conflict on Westrock is likely to be limited. Nonetheless, global macro- economic effects of the conflict, such as higher interest rates and higher coffee commodity prices may increase our costs, which we may not be able to pass on to our customers.~~