

Risk Factors Comparison 2025-03-12 to 2024-03-15 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.

Risks Related to Our Business We may not ~~complete~~ **be able to successfully build out operations or commercialize customers within the construction-anticipated time frame following the recent opening** of our new ~~production~~ **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 ~~customer demand and,~~ **meet revenue targets and generate positive operating cash flows**. 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.~~ **Portions of the completion of this the facility began commercial production in 2024, and the facility is delayed or otherwise expected to be fully operational in fiscal year 2025. If the facility does not completed-become fully operational within our anticipated timeframe**, or if we incur additional expenses in the process of opening this facility, it might hamper our ability to satisfy customer demand ~~and,~~ **meet revenue targets and generate positive operating cash flows**, 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 and sales. Our sales and distribution network requires a large investment to maintain and operate, and we rely on a limited number 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, once it is fully operational, a significant portion of our extract and ready- to- drink production capabilities will soon reside at, and a significant portion of our expected future revenues and operating cash flows will be supplemented-generated by,** our ~~facility in 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, **utilities interruptions,** labor shortages, **regulatory or food safety issues, water scarcity** 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 **. While the Company has property and business interruption insurance for its manufacturing facility, such insurance may not be sufficient to cover all of the Company’ s potential losses, and may not continue to be available on acceptable terms, or at all**. If demand increases more than we forecast, we will need to either expand our capabilities internally or acquire additional capacity. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more than existing facilities or may take significant time to start production, which would have an adverse impact on our financial condition, results of operations and cash flows. In addition, we use a significant amount of **water,** electricity, gasoline, diesel and oil, natural gas and other energy sources to operate our production and distribution facilities. An increase in the price, disruption of supply or shortage of **water,** fuel and other energy sources that may be caused by increased demand or by events such as climate change, natural disasters, power outages, cyberattacks or the like, could lead to higher electricity **,** **utilities**, transportation and other commodity costs, which could negatively impact our profitability, financial condition or results of operations. We have incurred net losses in the past, may incur net losses in the future, 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, **2024,** 2023 ~~,~~ **and** 2022 ~~and~~ 2021, we incurred net losses of \$ **80.3 million, \$** 34.6 million ~~,~~ **and** \$ 55.5 million ~~and~~ \$ 21.3 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 additional personnel to improve the operations of our business and support public company compliance requirements, increasing our sales and marketing functions and expanding our manufacturing and distribution capabilities. 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 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 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 or the loss of any key customer could negatively affect our sales, profitability and future growth. 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, our top five customers accounted for approximately 39%, 36%, 37% and 35%, 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 and their continued 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 effect on our results of operations. A significant portion of our trade accounts receivable are from five customers, which represented approximately 44% and 54% of our trade accounts receivable for the years ended December 31, 2023 and 2022, 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 have a material adverse effect on our results of operations and future growth opportunities. 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, as well as our estimates relating to the size and 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 prove inaccurate and are subject to significant uncertainty. If our assumptions, estimates or expectations prove to be inaccurate, there could be a material adverse effect on our business, financial condition and results of operations. 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 have in the past and may in the future acquire companies, which can divert our management's attention and we may also be unable to integrate such businesses or identify and achieve their projected benefits. A core part of our strategy is to grow through acquisitions. We currently are, and expect in the future to be, engaged in evaluating potential transactions. However, we may be unable to identify and consummate additional acquisitions, and we may incur significant transaction costs in seeking acquisitions that we do not complete. Furthermore, the identification 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 ongoing business operations, divert management from their primary responsibilities, increase our expenses and subject us to increased regulatory requirements. In addition, 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. 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 have a material adverse effect on our business, financial condition and operating results. If we continue to grow rapidly, we may not be able to effectively manage the growth and increased complexity of our business and, as a result, our 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, distribution capabilities, quality control, product development, regulatory support, customer service, sales force management and general and financial administration. We could also experience challenges in obtaining sufficient raw materials and manufacturing capacity to produce the products we sell, along with delays in production and shipments. 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. Any enhancements, expansions and additions to our property, plant and equipment or workforce necessary to manage our growth 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. 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 such laws could subject us to criminal or civil liability. **Any failure to comply with these laws or regulations correctly could result in a temporary halt in distribution of our products and other costs, affecting our business and profitability.** We 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 expanding international business will expose us to additional regulatory regimes, such as the U. S. Foreign Corrupt Practices Act (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 have activities in jurisdictions that are perceived to present 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). As we increase our international sales and business, our risks of non-compliance 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. **Furthermore, there are an increasing number of state and local regulations in the United States related to, among other things, beverage packaging, labeling requirements, container deposits, recycling or beverage taxes. We anticipate more states to adopt similar legislation or regulations, requiring us to continuously monitor various state laws to ensure compliance.** Violations of these laws or regulations could have a material adverse effect on us, by imposing substantial financial penalties, 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 become subject to legal proceedings (including class actions), 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, **intellectual property claims**, employment claims brought by our 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 our 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 impact our cost of, and ability to obtain, insurance in 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 we have meritorious claims or

defenses. Any material legal proceedings (including class actions), disputes, claims, investigations, regulatory proceedings, or similar actions could have a material adverse effect on our business, results of operations, and financial condition. Our business reputation and our relationship with our customers, suppliers, and employees may also be adversely impacted by our involvement in legal proceedings. 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. 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. Further, breaches experienced by other companies may also be leveraged against us. 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. 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. 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. 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. 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. 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. 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~~ **If we are found to infringe on the intellectual property rights of others, we could incur subject us to significant liability for damages and could result in, be enjoined from continuing to manufacture, market our- or use the affected having to stop selling a product, or service found to be required to enter into royalty or licensing agreements in violation of order to obtain the right to use a third party's intellectual property. Any royalty or licensing agreements, if required, may not be available to us on acceptable terms or at all. Similarly, changing products or processes to avoid infringing the rights of others may be costly or impracticable.** The covenants in our Credit Facilities and 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. As of December 31, ~~2023~~ **2024**, we had outstanding total indebtedness of \$ ~~279,447,077~~ **077** million and, of which \$ ~~110,371,011~~ **011** million of undrawn borrowings available under our Revolving Credit Facility (other than \$2.6 million of standby letters of credit outstanding), and 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, which could create a competitive disadvantage relative to our competitors. 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. 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, ~~511,510, 922,527~~ **510, 922,527** Series A Preferred Shares remain outstanding after February 26, 2028, we estimate an aggregate redemption payment of at least approximately \$ 270. 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, 2023-2024, we had \$ 116. 1 million of goodwill on our Consolidated Balance Sheets. Any negative industry or economic trends, 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 results of operations. 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. 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, 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 well as testing and maintaining controls, are time consuming, result in Westrock incurring significant costs, and 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) identify additional material weaknesses (iii) 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, 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 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 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. 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 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, 2023-2024, Westrock's directors and executive officers beneficially own, directly or indirectly, in the aggregate, approximately 33, 210, 832- 32, 153, 753 shares of Common Shares, representing an aggregate of approximately 29-27. 8-3 % 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, our classified board structure, 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 rights of the Series A Preferred shareholders. On June 29, 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., (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 "RVAC Investors") and (iv) HF Direct Investments Pool, 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, including board designation and other approval rights of the Investor Parties. 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. 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. 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. 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, 2023, we had 19, 144, 120 outstanding warrants to purchase 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. Even if our warrants are in the money, there can be no assurance that warrant holders will~~

exercise their warrants prior to their expiration. Our Westrock 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 on a cashless basis. Our Westrock Private Placement Warrants are not redeemable so long as they are held by the Riverview Sponsor Partners, LLC or its permitted transferees. As such, it is possible that we may never generate any or only very limited cash proceeds from the exercise of our 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, 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. **During the year ended December 31, 2024, market prices for green coffee increased approximately 70 %, and from January 1, 2025 through the date of this Annual Report on Form 10- K, the “ C ” market price has continued to increase, surpassing \$ 4.00 per pound of green coffee, reaching all- time highs.** 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. 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 may be** 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). **In addition, some of our ingredients and packaging materials may only be available from a single or few suppliers, which could exacerbate those factors.** 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 **suppliers and** third- party transportation carriers for shipment of our products. Our business depends on our relations with key

suppliers to maintain a steady supply of green coffee and tea, and other ingredients and packaging materials. 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 ingredients and raw materials at prices acceptable to us or at all which could negatively affect our results of operations. Further, nonperformance by suppliers and the lack of alternative suppliers could expose us to supply risk under coffee-purchase commitments for coffee, tea, and other ingredients for delivery in the future. Further, there may be a limited numbers of suppliers for certain ingredients, and, as a result of this concentration, our business and operations may in the future be negatively affected if our key suppliers experience significant disruptions affecting the price, quality, availability or timely delivery of their products, we suffer a partial or complete loss of, or a significant adverse change in the relationship with, any one of our key suppliers or any key suppliers refuse or are unable to provide us with necessary ingredients and raw materials. 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 to our customers, a deterioration of our relationship with our customers, decreased revenues or an inability to expand our business. 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 or food safety issues could adversely affect our sales and brand reputation, lead to product recalls or result in product liability claims. 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 or a widespread 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. 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 and our other products from growing at the farm, cooling the beans after roasting, and brewing and bottling products for consumption. Scarcity of water sources in our supply chain could also constrain our supply and increase costs. Further, if any of our municipal water sources to our facilities, including our Conway, Arkansas facility, were curtailed or eliminated as a result of, for example, a natural disaster, work stoppage or other significant

event that disrupted water flow from such municipal source, we may have to purchase water from other sources, which could increase water and transportation costs and could result in supply shortages. 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. Risks Related to General Economic and Other Conditions Our business, revenue and profits and the businesses of our suppliers and our customers depend on the level of customer spending for discretionary items, which is sensitive to general economic conditions and other factors. 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, 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 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. **These financial and operational difficulties faced by both us and our suppliers could also increase the cost of the products we purchase, the timing of settlement for our obligations to the suppliers, or our ability to source products from them. We might not be able to pass on our increased costs to our customers and, to the extent these difficulties impact the timing of settlement for our obligation to the supplier, we may have a decrease in our cash flow from operations and may have to use our various financing arrangements for short- term liquidity needs. Supply chain disruptions and cost increases related to inflation are having, and could continue to have, an adverse effect on our business, operating results and financial condition. Westrock attempts to mitigate the impacts of inflation and supply chain disruptions, wherever possible. Our mitigation strategies, including working with our warehouse and over the road haulage vendors, have provided us the necessary flexibility to respond to the risks, and have ensured that we have adequate access to raw materials to reliably provide our customers with the high- quality products they expect. In addition, where possible, we seek to recover inflation impacted**