

**CELSIUS HOLDINGS, INC.**

**OTCQX® QUARTERLY DISCLOSURE STATEMENT**

**For the quarter ended March 31, 2016**

Filed on May 11, 2016

All references herein to “we,” “us,” “our,” “Celsius” or “the Company” refer to Celsius Holdings, Inc. and its subsidiaries.

**Item 1 Exact name of the issuer and the address of its principal executive offices.**

We were incorporated in Nevada on April 26, 2005 under the name “Vector Ventures, Inc.” and originally we engaged in mineral exploration. Such business was unsuccessful. On January 26, 2007, we acquired the Celsius® beverage business of Elite FX, Inc., a Florida corporation engaged in the development of “functional” beverages since 2004 in a reverse merger, and subsequently changed our name to Celsius Holdings, Inc. In addition, on March 28, 2007, the Company established Celsius Netshipments, Inc. a Florida corporation as a wholly-owned subsidiary of the Company.

The address of the Company’s principal offices is 2424 North Federal Hwy, Suite 208, Boca Raton, Florida 33431, its telephone number is 561-276-2239 and its email address is [investor@celsius.com](mailto:investor@celsius.com). Our corporate website is [www.celsius.com](http://www.celsius.com). Information appearing on our website is not incorporated as part of this Quarterly Disclosure Statement.

**Item 2 Shares outstanding.**

**A. Common Stock**

Total shares authorized:	75,000,000 shares.
Total shares outstanding:	38,380,380 shares issued and outstanding as of March 31, 2016, respectively.
Public float:	9,002,256 shares as of March 31, 2016.
Shareholders of record:	55 as of May 11, 2016 and excess of 5,000 beneficial owners.

## **B. Preferred Stock**

Total shares authorized:	2,500,000 shares.
Total shares outstanding:	Series C & D Preferred Stock – 6,380 shares, par value \$.001 as of March 31, 2016.
Public float:	Not applicable.
Shareholders of record:	One holder of Series C Shares and one holder of Series D Shares.

### **Item 3 Interim financial statements.**

The following consolidated financial statements of the Company are set forth in **Exhibit A** to this Quarterly Disclosure Statement:

Consolidated Balance Sheets as of March 31, 2016 (unaudited) and December 31, 2015 (unaudited)

Consolidated Statements of Operations for the three months ended March 31, 2016 and 2015 (unaudited)

Consolidated Statements of Cash Flows for the three months ended March 31, 2016 and 2015 (unaudited)

Notes to Consolidated Financial Statements (unaudited)

### **Item 4 Management’s Discussion and Analysis or Plan of Operation.**

#### **Results of Operations**

*Three months ended March 31, 2016 compared to three months ended March 31, 2015*

##### *Revenue*

For the three months ended March 31, 2016, revenue was approximately \$3.68 million, a decrease of \$0.97 million or 21% from \$4.65 million in revenue for same period in the prior year. The revenue decrease of 21% was mainly associated with a 68% decrease in international revenue from our Swedish distribution partner, who was adversely affected by a rebalancing of inventory. This decrease was offset by a 79% growth in domestic revenues associated from blended growth rates of 103% in retail accounts mainly from convenience store expansion initiatives, 16% in health and fitness accounts and 43% in internet retailer accounts from the same period in 2015.

##### *Gross profit*

For the three months ended March 31, 2016, gross profit decreased by approximately \$319,000 or 17.3% to \$1.52 million compared to \$1.84 million for the same period in 2015. Gross Profit margins improved 1.8% to 41.3% in the three months ended March 31, 2016 from the same period in 2015.

### *Sales and marketing expenses*

Sales and marketing expenses for the three months ended March 31, 2016 were approximately \$1.79 million, an increase of \$890,000, or 99% from \$899,000 in the same period in 2015. The increase is due primarily to increases in investments in marketing programs of \$483,000 and increases in human resource investments of \$407,000.

### *General and administrative expenses*

General and administrative expenses for the three months ended March 31, 2016 were approximately \$875,000, an increase of \$313,000, or 56%, from \$562,000 for the three months ended March 31, 2015. The increase was primarily due to increases in option expense of \$82,000, investments in human resources of \$68,000, travel of \$55,000, professional fees of \$68,000, research and development costs of \$12,000, office related costs of \$34,000, offset by savings in depreciation and amortization of \$6,000.

### *Other expense*

Total other expense decreased to approximately \$57,000 for three months ended March 31, 2016 from \$132,000 for the same period in 2015, as a result of \$75,000 in savings in interest expense.

## **Liquidity and Capital Resources**

As of March 31, 2016, we had cash of approximately \$9.2 million and working capital of \$12.2 million. Cash used in operations during the three months ended March 31, 2016 totaled \$887,000. We incurred a net loss available to common stockholders of \$1.3 million during three months ended March 31, 2016, and our accumulated deficit increased to \$51.2 million as of March 31, 2016. In April 2015, the Company issued a total of 12,921,348 shares of common stock at \$0.89 per share for gross proceeds of \$11.5 million.

Our current operating plan for next twelve (12) months plans on a sufficient financial condition and we do not contemplate obtaining additional financing. However, if our sales volumes do not meet our projections, expenses exceed our expectations, or our plans change, we may be unable to generate enough cash flow from operations to cover our working capital requirements. In such case, we may be required to adjust our business plan, by reducing marketing and other expenses or seek additional financing. There can be no assurance that such financing, if required, will be available on commercially reasonable terms if at all.

### **Item 5      Legal proceedings.**

None.

### **Item 6      Defaults upon Senior Securities.**

None.

### **Item 7      Other Information.**

None.

**Item 8 Exhibits.**

None.

**Item 9 Issuer's Certifications.**

A. I, Gerry David certify that:

1. I have reviewed this Quarterly Disclosure Statement of Celsius Holdings, Inc. (the "**Company**");
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: May 11, 2016

CELSIUS HOLDINGS, INC.

By: /s/ Gerry David

Gerry David, President and  
Chief Executive Officer

- B. I, John Fieldly certify that:
1. I have reviewed this Quarterly Disclosure Statement of Celsius Holdings, Inc. (the “**Company**”);
  2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
  3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: May 11, 2016

CELSIUS HOLDINGS, INC.

By: /s/ John Fieldly  
John Fieldly, Chief Financial Officer