

CELSIUS HOLDINGS, INC.

OTCQX® QUARTERLY DISCLOSURE STATEMENT

For the quarter ended June 30, 2016

Filed on August 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. Our corporate website is 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:	38,666,451 shares issued and outstanding as of June 30, 2016, respectively.
Public float:	9,002,256 shares as of June 30, 2016.
Shareholders of record:	52 as of August 11, 2016 and excess of 5,000 beneficial owners.

B. Preferred Stock

Total shares authorized:	2,500,000 shares.
Total shares outstanding:	2,380 Series C Shares and 4,000 Series D Shares issued and outstanding as of June 30, 2016 and June 30, 2015, respectively.
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 June 30, 2016 (unaudited) and December 31, 2015

Consolidated Statements of Operations for the three and six months ended June 30, 2016 and 2015 (unaudited)

Consolidated Statements of Cash Flows for the six months ended June 30, 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 June 30, 2016 compared to three months ended June 30, 2015

Revenue

For the three months ended June 30, 2016, revenue was approximately \$6.17 million, an increase of \$1.51 million or 33% from \$4.66 million for same period in the prior year. The revenue increase of 33% was attributable in large part to 67% growth in domestic revenues associated with a blended growth rate of 81% in retail accounts arising mainly from expansion of convenience store distribution initiatives, 37% growth in health and fitness accounts and 44% growth in internet retailer accounts from the same period in 2015. This increase was offset by a 3% decrease in international revenue from our Swedish distribution partner.

Gross profit

For the three months ended June 30, 2016, gross profit increased by approximately \$736,000 or 36% to \$2.76 million from \$2.03 million for the same period in 2015. Gross profit

margins improved 1.2% to 44.8% for the three months ended June 30, 2016, from the same period in 2015.

Sales and marketing expenses

Sales and marketing expenses for the three months ended June 30, 2016 were approximately \$3.19 million, an increase of \$2.05 million or 179% from \$1.14 million in the same period in 2015. The increase is due primarily to increases in investments in marketing programs of \$1.36 million and increases in human resource investments of \$684,000.

General and administrative expenses

General and administrative expenses for the three months ended June 30, 2016 were approximately \$980,000, a decrease of \$349,000, or 26%, from \$1.33 million for the three months ended June 30, 2015. The decrease was primarily due to savings in option expense of \$629,000 and savings in depreciation and amortization of \$5,000, offset by increases in professional fees of \$202,000, travel of \$41,000, office related costs of \$25,000, research and development costs of \$9,000 and investments in human resources of \$8,000.

Other expense

Total other expense decreased to approximately \$57,000 for three months ended June 30, 2016 from \$75,000 for the same period in 2015, as a result of \$18,000 in savings in interest expense.

Six months ended June 30, 2016 compared to six months ended June 30, 2015

Revenue

For the six months ended June 30, 2016, revenue was approximately \$9.85 million, an increase of \$545,000 or 6% from \$9.30 million for same period in the prior year. The revenue increase of 6% was attributable in large part to 71% growth in domestic revenues associated from blended growth rates of 90% in retail accounts arising mainly from expansion of convenience store distribution initiatives, 33% in health and fitness accounts and 44% growth in internet retailer accounts from the same period in 2015. This growth was offset by a 40% decrease in international revenue from our Swedish distribution partner, who was adversely affected by a rebalancing of inventory during the first quarter of 2016.

Gross profit

For the six months ended June 30, 2016, gross profit increased by approximately \$417,000 or 10.8% to \$4.28 million from \$3.87 million for the same period in 2015. Gross Profit margins improved 1.9% to 43.5% for the six months ended June 30, 2016 from the same period in 2015.

Sales and marketing expenses

Sales and marketing expenses for the six months ended June 30, 2016 were approximately \$4.97 million, an increase of \$2.93 million or 143% from \$2.04 million in the

same period in 2015. The increase is due primarily to increases in investments in marketing programs of \$1.84 million and increases in human resource investments of \$1.09 million.

General and administrative expenses

General and administrative expenses for the six months ended June 30, 2016 were approximately \$1.86 million, a decrease of \$36,000, or 2%, from \$1.89 million for the six months ended June 30, 2015. The decrease was primarily due to savings in option expense of \$547,000 and depreciation and amortization of \$11,000, offset by increases in professional fees of \$265,000, increases in travel of \$96,000, investments in human resources of \$76,000, office related costs of \$60,000 and research and development costs of \$21,000.

Other expense

Total other expense decreased to approximately \$114,000 for six months ended June 30, 2016 from \$207,000 for the same period in 2015, as a result of \$93,000 in savings in interest expense.

Liquidity and Capital Resources

As of June 30, 2016, we had cash of approximately \$7.3 million and working capital of \$11.4 million. Cash used in operations during the six months ended June 30, 2016 totaled \$2.8 million. We incurred a net loss available to common stockholders of \$2.8 million during six months ended June 30, 2016, and our accumulated deficit increased to \$52.8 million as of June 30, 2016.

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: August 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: August 11, 2016

CELSIUS HOLDINGS, INC.

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