

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 1, 2022

CELSIUS HOLDINGS, INC.
(Exact name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction
of Incorporation)

001-34611
(Commission
File Number)

20-2745790
(IRS Employer
Identification No.)

2424 N. Federal Highway
Boca Raton, Florida
(Address of Principal Executive Offices)

33431
(Zip Code)

Registrant's Telephone Number, Including Area Code: 561 276-2239

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.001 par value	CELH	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

When used in this Current Report on Form 8-K, unless otherwise indicated, the terms "the Company," "we," "us" and "our" refer to Celsius Holdings, Inc. and its subsidiaries.

Item 7.01 Regulation FD Disclosure.

On August 1, 2022, the Company announced that it has entered into a long-term strategic distribution partnership with PepsiCo, Inc. On August 1, 2022, the Company provided an investor presentation relating to the relationship. A copy of the investor presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information included in this Current Report on Form 8-K pursuant to this Item 7.01, including Exhibit 99.1 attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such filing.

Item 8.01 Other Events.

The press release announcing the strategic partnership with PepsiCo, Inc. is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

This Form 8-K and Exhibits 99.1 and 99.2 contain forward-looking statements. Forward-looking statements include, but are not limited to, statements that express the Company's intentions, beliefs, expectations, strategies, predictions or any other statements related to the Company's future activities, or future events or conditions. These statements are based on current expectations, estimates and projections about the Company's business based, in part, on assumptions made by its management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks that may be included in documents that the Company files from time to time with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 8-K, except as required by law.

Item 9.01 Financial Statements and Exhibits.

Exhibit No	Description
99.1**	Investor Presentation, dated as of August 1, 2022
99.2*	Press Release, dated as of August 1, 2022

* Filed herewith.
** Furnished herewith.

1

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CELSIUS HOLDINGS, INC.

Date: August 1, 2022

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

2

Confidential

CELSIUS[®]



Celsius & PepsiCo Announce Long-Term Distribution Agreement and Investment

August 1, 2022

Notice and Disclaimer



This presentation has been prepared by us (the "Company" or "Celsius Holdings") and is made for informational purposes only. The information set forth herein does not purport to be complete or to contain all of the information you may desire. Statements contained herein are made as of the date of this presentation unless stated otherwise, and neither the delivery of this presentation at any time, nor any sale of securities, shall under any circumstances create an implication that the information contained herein is correct as of any time after such date or that information will be updated or revised to reflect information that subsequently becomes available or changes occurring after the date hereof.

Certain information contained in this presentation relates to or is based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, all of the market data included in this presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while the Company believes its own internal research is reliable, such research has not been verified by any independent source.

This presentation may contain statements that are not historical facts and are considered forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements contain projections of Celsius Holdings' future results of operations and/or financial position, or state other forward-looking information. In some cases, you can identify these statements by forward looking words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "should," "will," "would," or similar words, including all statements regarding the distribution rights agreement with PepsiCo, such as our expectations of a long-term strategic distribution partnership with PepsiCo and plans for global distribution expansion, statements regarding PepsiCo's equity investment in Celsius Holdings, such as becoming a core player in PepsiCo's global energy portfolio and expected use of proceeds from such investment, plans to establish Celsius as the leading lifestyle energy drink nationwide, all statements regarding the impact of the transactions with PepsiCo on Celsius Holdings' business, financial condition, and operating results such as the pro forma impact of such transactions and all statements on the "Use of Proceeds from Equity Investment" section of this presentation. You should not rely on forward-looking statements since Celsius Holdings' actual results may differ materially from those indicated by forward-looking statements as a result of a number of important factors. These factors include, but are not limited to: the impact of and the ability to complete and integrate strategic partnerships, including the distribution partnership with PepsiCo; general economic and business conditions; our business strategy for expanding our presence in our industry; anticipated trends in our financial condition and results of operation; the impact of competition and technology change; existing and future regulations affecting our business; and other risks and uncertainties discussed in the reports Celsius Holdings has filed previously with the Securities and Exchange Commission. Celsius Holdings does not intend to and undertakes no duty to update the information contained in this presentation.

This presentation is made pursuant to Rule 163B of the Securities Act of 1933, as amended, and is intended solely for investors that are qualified institutional buyers or certain institutional accredited investors solely for the purposes of familiarizing such investors with the Company and determining whether such investors might have an interest in a securities offering contemplated by the Company. Any such offering of securities will only be made by means of a registration statement (including a prospectus) filed with the U.S. Securities and Exchange Commission, after such registration statement becomes effective. No such registration statement has been filed, or become effective, as of the date of this communication. This communication shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.



Celsius and PepsiCo at a Glance – A Powerful Alliance



Category-defining Brand Driving Industry Growth

Best-in-Class Momentum and Growth Trajectory

Proprietary Formulation Provides Proven Functional Benefits

Fully Aligned with Health & Wellness Trends, Backed by Strong Innovation and Portfolio Expansion

Transformative addition of leading lifestyle energy brand to the PepsiCo portfolio



Global Leader in Convenient Food & Beverage

Iconic Billion-Dollar Brands Sold in 200+ Countries and Territories

#2 Position in Beverages Globally, with Distribution Across Channels and Occasions

Leading North America DSD Network with Global Scale

Ability to accelerate and transform distribution presence across new and existing channels



Transaction Overview

Overview	- Celsius and PepsiCo have entered into a long-term strategic distribution agreement and investment - PepsiCo to acquire certain Celsius distribution rights in the U.S. with future expansion opportunity as preferred global distribution partner - PepsiCo has made a \$550 million investment in Celsius convertible preferred stock
Distribution Agreement	- PepsiCo to become Celsius' primary distribution partner in the U.S. through its leading DSD network and the preferred partner internationally - Celsius represents a rapidly growing lifestyle energy brand that enhances PepsiCo's existing energy portfolio - Celsius to manage transition of and make buy-out payment to existing distributors; PepsiCo to contribute funding to Celsius related thereto
Preferred Equity Investment	- PepsiCo made a net cash investment of \$550 million in Celsius in exchange for convertible preferred stock (representing an estimated 8.5% ownership in Celsius on an as-converted basis¹) and is entitled to a 5% annual dividend paid quarterly in cash or at Celsius' option, paid-in-kind (PIK) - Convertible preferred stock to automatically convert into common shares after 6 years on certain market share triggers and if above conversion price - Primary proceeds used to fund growth CapEx and operating expenses - PepsiCo has the right to nominate one director to the Board, increasing the Board size from 8 to 9
Strategic Rationale	- Transformational opportunity to gain immediate scale and accelerate market share by securing access to leading North America DSD network with global reach - Access to new consumption occasions through diversified channel exposure - Go-to-market portfolio optimization through strategic alliance with a global leader in beverages - Meaningful preferred equity investment aligns long-term interests while strengthening balance sheet position for working capital and growth investment
Pro Forma Impact	- Cash proceeds of \$550 million will strengthen balance sheet position and fund ongoing growth initiatives - Distribution agreement expected to add significant topline scale and accelerate growth - Substantial margin accretion expected from leveraging PepsiCo's leading DSD network to rapidly scale the business
Timing	Transaction closed August 1, 2022



Note:

1. Based on fully diluted shares outstanding of 78.3 million as of March 31, 2022. Assumes \$550mm of convertible preferred stock is converted to common at a conversion price of \$75.00 per share, implying 7.3 million of additional diluted shares outstanding

Highly Compelling Strategic Rationale



1

Transformational opportunity to gain immediate scale and accelerate market share by securing access to leading North America DSD network with global reach

- Expanded access across new and existing channels with addition of significant incremental doors, coolers and ACV upside
- Streamlined supply chain with aligned incentives and added focus
- Substantial international whitespace for global expansion

2

Access to new consumption occasions through diversified channel exposure

- Meaningful penetration gains across channels including foodservice, independent convenience (through PepsiCo's Medals program), vending, college campuses, concessions and the military
- Reach new customers and occasions by leveraging unique product versatility that caters to all times of the day and night

3

Go-to-market portfolio optimization through strategic alliance with a global leader in beverages

- Adds a rapidly growing lifestyle energy brand to PepsiCo's existing energy portfolio
- Benefit from PepsiCo's vast experience and resources as a global beverage leader while retaining entrepreneurial identity and agility

4

Meaningful preferred equity investment aligns long-term interests while strengthening balance sheet position for working capital and growth investment

- Development of joint distribution business plan with clear goals to ensure alignment
- Deploy capital to support growth plan including cooler / vending rollout, sales & marketing, and salesforce fleet, as well as international expansion



Transformational Opportunity to Immediately Accelerate Distribution Gains

Today



*Fragmented distribution network
across regions*

*300+ unique distribution partners and
points of contact*

Tomorrow



PEPSICO

*Access leading North America DSD
network with meaningful retail and shelf
space upside*

*Highly efficient and cohesive route-to-market
in North America, with additional global
expansion opportunities*



Strengthen Penetration with New and Existing Customers / Channels



☐ Accelerate Distribution in Existing Channels

☐ Transform Channel Presence Within PepsiCo Network

Improved Access to Consumption Occasions Throughout the Day



Use of Proceeds from Equity Investment

Growth Investment

- Roll-out of additional coolers
- Investment in sales / marketing and R&D
- Fleet investment to support salesforce
- Facilitate entry into new channels and geographies

Balance Sheet and Working Capital

- Strengthen balance sheet position
- Fund working capital for next phase of growth, including international expansion

M&A

- Provides opportunity to pursue highly strategic M&A opportunities on a selective basis

Proceeds will accelerate numerous growth initiatives and significantly enhance balance sheet optionality



ESSENTIAL FUNCTIONAL ENERGY

- PROVIDES ESSENTIAL ENERGY*
- PROPRIETARY METAPLUS® BLEND
- 7 ESSENTIAL VITAMINS
- ACCELERATES METABOLISM†*
- BURNS BODY FAT & CALORIES†*
- THERMOGENIC

NO

SUGAR
HIGH FRUCTOSE CORN SYRUP
ARTIFICIAL COLORS/FLAVORS
ASPARTAME

†Celsius alone does not produce weight loss in the absence of a healthy diet and moderate exercise. So, whether you walk the dog or work out at the gym, make Celsius part of your daily regimen.

#Citric acid is added for flavor; it is not used as a preservative.

*These statements have not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure or prevent any disease.



HOW DOES IT WORK?

WE'RE NOT LIKE OTHER ENERGY DRINKS

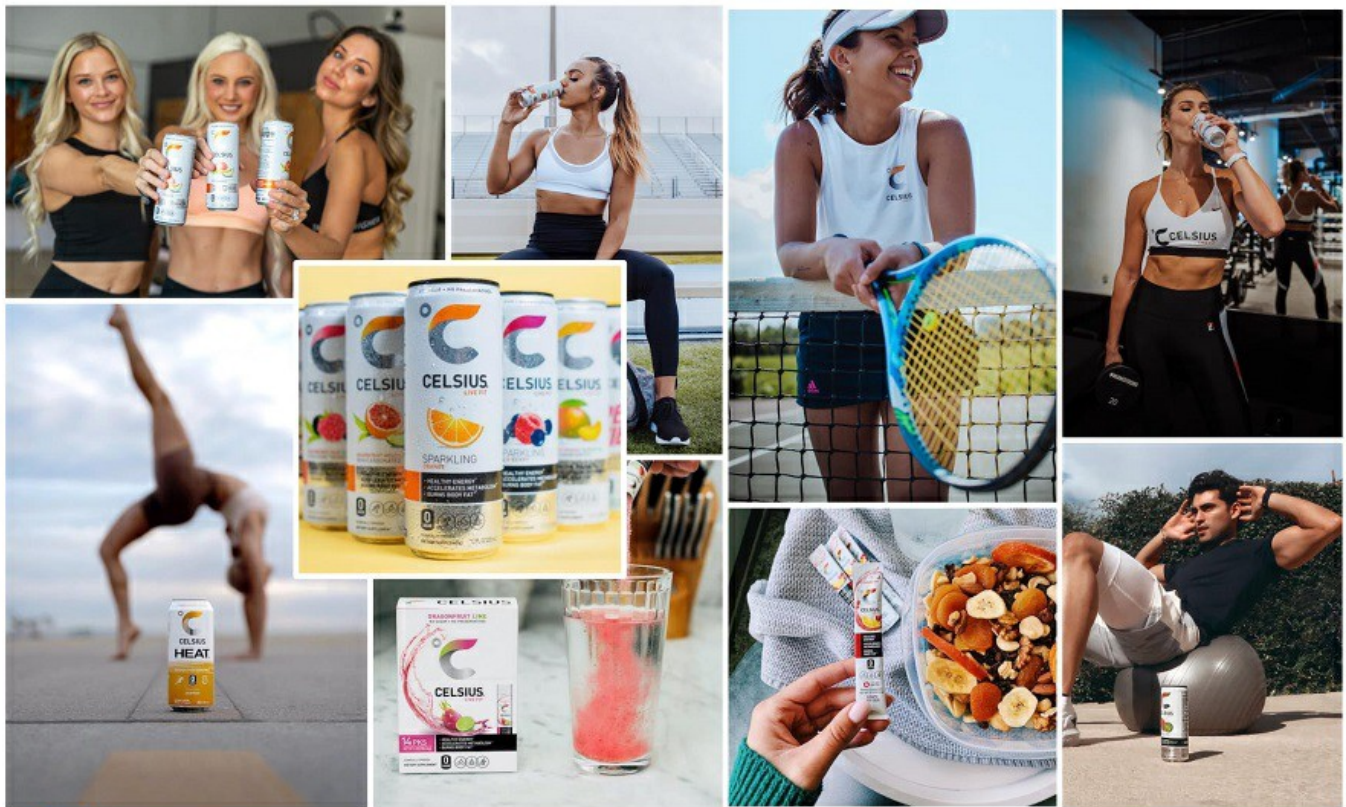
CELSIUS® proprietary MetaPlus® formula, including green tea with ECGC, ginger and guarana seed, turns on thermogenesis, a process that boosts your body's metabolic rate.†*

Drinking CELSIUS® prior to lifestyle / fitness activities is proven to energize, accelerate metabolism, burn body fat and calories.†*

†*CELSIUS alone does not produce weight loss in the absence of a health diet and moderate exercise. In a 10-week clinical study published in the Journal of International Society of Sports Nutrition, with sedentary men and women, the group who drank one CELSIUS per day experienced significantly better results.



Question & Answer



FOR IMMEDIATE RELEASE

PepsiCo & Celsius Announce Long-Term Distribution Agreement and Investment

*Celsius Management to Conduct Conference Call at 2:00 p.m. ET Detailing
PepsiCo Distribution Agreement and Investment*

BOCA RATON, FL, August 1, 2022/PRNewswire/ -- PepsiCo, Inc., (NASDAQ: PEP) and Celsius Holdings, Inc., (NASDAQ: CELH), maker of a leading global fitness energy drink, CELSIUS®, today announced a definitive agreement forging a long-term strategic distribution arrangement. The distribution agreement initially transitions Celsius' current U.S. distribution to PepsiCo's best-in-class capabilities. As part of the transaction, PepsiCo will also make an investment in Celsius in support of its growth agenda and will nominate a director to serve on Celsius' Board of Directors.

The long-term U.S. distribution agreement is effective on August 1, 2022 and, subject to certain exceptions, includes retail and food service channels. PepsiCo will also become the preferred distribution partner globally for Celsius.

As part of the transaction, PepsiCo will make a net cash investment of \$550 million to Celsius in exchange for convertible preferred stock. Shares underlying the transaction were priced at \$75 per share, or approximately 7.33 million shares, which equates to an estimated 8.5% ownership in Celsius on an as-converted basis. The preferred shares are entitled to a 5% annual dividend.

"We are extremely pleased to partner with Celsius and excited about the opportunity for our two organizations to drive growth and innovation in the energy beverage category," said Kirk Tanner, CEO, PepsiCo Beverages North America. "The Celsius brand's growing momentum coupled with the strength of PepsiCo's portfolio and go-to-market capabilities create a combination we believe will be very compelling and valuable to retailers and consumers. We are looking forward to seeing the impact these two outstanding organizations can make together to more fully capture energy occasions."

Celsius President, Chairman and CEO, John Fieldly, commented, "I would first like to thank our employees and partners who have helped facilitate our rapid growth. We believe the opportunity to partner with a global best-in-class distributor provides Celsius with significant near-term additional shelf space in both existing retailers as well as new expansion within the independent retailers that represent a significant portion of the U.S. convenience and gas channel where approximately 70% of energy drinks are sold. It also provides a strategic partnership that is expected to accelerate growth for both companies globally. In addition, this partnership will drive efficiencies allowing our teams to consolidate sales, marketing, and distribution efforts with associated cost benefits, which we expect to recognize once the initial transition is completed. We look forward to partnering with PepsiCo and maximizing the opportunities we see ahead for Celsius and our shareholders."

Celsius Conference Call. Celsius will hold a conference call to discuss this announcement.

Monday, August 1, 2022 at 2:00 pm ET

This press release as well as a related slide presentation will be accessible on Celsius' website at https://www.celsiusholdingsinc.com/PepsiCo_Partnership/ beginning prior to the scheduled broadcast of the conference call. To participate in the Celsius conference call, please call one of the following telephone numbers at least 10 minutes before the start of the call:

US: **877-709-8150**
International: **201-689-8354**

Webcast: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=RmAiflM3>

An audio replay of the call will be available on Celsius' website at:
<https://www.celsiusholdingsinc.com/press-releases/>

Advisors

UBS Investment Bank and Stifel, Nicolaus & Company, Incorporated served as financial advisors and Holland & Knight LLP served as legal advisor to Celsius. Centerview Partners LLC served as financial advisor and Gibson, Dunn & Crutcher LLP served as lead counsel to PepsiCo, and Davis Polk & Wardwell LLP as U.S. tax counsel.

About PepsiCo

PepsiCo products are enjoyed by consumers more than one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$79 billion in net revenue in 2021, driven by a complementary beverage and convenient foods portfolio that includes Lay's, Doritos, Cheetos, Gatorade, Pepsi-Cola, Mountain Dew, Quaker, and SodaStream. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including many iconic brands that generate more than \$1 billion each in estimated annual retail sales.

Guiding PepsiCo is our vision to Be the Global Leader in Beverages and Convenient Foods by Winning with PepsiCo Positive (pep+). pep+ is our strategic end-to-end transformation that puts sustainability and human capital at the center of how we will create value and growth by operating within planetary boundaries and inspiring positive change for planet and people. For more information, visit www.pepsico.com.

About Celsius Holdings, Inc.

Celsius Holdings, Inc. (Nasdaq: CELH), is a global consumer packaged goods company with a proprietary, clinically proven formula for its master brand CELSIUS®. A lifestyle energy drink born in fitness and a pioneer in the rapidly growing energy category. CELSIUS® offers proprietary, functional, essential energy formulas clinically-proven to offer significant health benefits to its users. CELSIUS® is backed by six university studies that were published in peer-reviewed journals validating the unique benefits CELSIUS® provides. For more information, please visit: <http://www.celsiusholdingsinc.com>

This press release may contain statements that are not historical facts and are considered forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements contain projections of Celsius Holdings’ future results of operations and/or financial position, or state other forward-looking information, including all statements regarding the distribution agreement with PepsiCo, such as future international opportunities and all statements regarding the impact of the transactions with PepsiCo on Celsius Holdings’ business, financial condition, and operating results such as providing Celsius Holdings with significant near-term additional shelf space in both existing retailers as well as new expansion within the independent retailers that represent a significant portion of the U.S. convenience and gas channel. In some cases, you can identify these statements by forward-looking words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “should,” “will,” “would,” or similar words. You should not rely on forward-looking statements since Celsius Holdings’ actual results may differ materially from those indicated by forward-looking statements as a result of a number of important factors. These factors include but are not limited to: the impact of and the ability to complete and integrate strategic partnerships, including the distribution partnership with PepsiCo; general economic and business conditions; Celsius Holdings’ business strategy for expanding its presence in its industry; anticipated trends in Celsius Holdings’ financial condition and results of operation; the impact of competition and technology change; existing and future regulations affecting Celsius Holdings’ business; Celsius Holdings’ ability to satisfy in a timely manner, all Securities and Exchange Commission (SEC) required filings and the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the rules and regulations adopted under that Section; and other risks and uncertainties discussed in the reports Celsius Holdings has filed previously with the Securities and Exchange Commission. Celsius Holdings does not intend to and undertakes no duty to update the information contained in this press release.

PepsiCo Cautionary Statement

Statements in this release that are “forward-looking statements” are based on currently available information, operating plans and projections about future events and trends. Terminology such as “anticipate,” “believe,” and “intend,” or similar statements or variations of such words and other similar expressions are intended to identify forward looking statements, although not all forward-looking statements contain such terms. Forward-looking statements inherently involve risks and uncertainties that could cause PepsiCo’s actual results to differ materially from those predicted in such forward looking statements. Such risks and uncertainties include, but are not limited to: damage PepsiCo’s reputation or brand image; product recalls or other issues or concerns with respect to product quality and safety; changes in the retail landscape; and increased commodity, packaging, transportation, labor and other input costs.

For additional information on these and other factors that could cause PepsiCo’s actual results to materially differ from those set forth herein, please see PepsiCo’s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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