# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# Form 10-Q

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **September 30, 2024**

or

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number **001-39569**

# SAFETY SHOT, INC.
(Exact name of registrant as specified in charter)

| Delaware | 83-2455880 |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |
| **1061 E. Indiantown Road, Suite 110 Jupiter, FL** | **33477** |
| (Address of principal executive offices) | (Zip Code) |

**(561) 244-7100**
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

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

| Title of each class | Trading Symbol | Name of exchange on which registered |
|---|---|---|
| Common Stock, $.001 par value per share | SHOT | Nasdaq |
| Warrants to purchase shares of common stock | SHOTW | Nasdaq |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. X YES ☐ NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). X YES ☐ NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | X | Smaller reporting company | X |
| | | Emerging growth company | X |

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) ☐ YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of October 1, 2024, there were 61,138,357 shares of the registrant's common stock outstanding.

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## PART I - FINANCIAL INFORMATION

This Quarterly Report on Form 10-Q includes the accounts of Safety Shot, Inc., a Delaware corporation ("Safety Shot"). References in this Report to "we", "our", "us" or the "Company" refer to Safety Shot, Inc. and its consolidated subsidiaries unless the context dictates otherwise.

## FORWARD LOOKING STATEMENTS

Certain statements in this report, including information incorporated by reference, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements reflect current views about future events and financial performance based on certain assumptions. They include opinions, forecasts, intentions, plans, goals, projections, guidance, expectations, beliefs or other statements that are not statements of historical fact. Words such as "will," "may," "should," "could," "would," "expects," "plans," "believes," "anticipates," "intends," "estimates," "approximates," "predicts," "forecasts," "potential," "continue," or "projects," or the negative or other variation of such words, and similar expressions may identify a statement as a forward-looking statement. Any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, our goals, strategies, focus and plans, and other characterizations of future events or circumstances, including statements expressing general optimism about future operating results and the development of our products, are forward-looking statements.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading "Risk Factors" below, as well as those discussed elsewhere in this Quarterly Report on Form 10-Q. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. We file reports with the Securities and Exchange Commission ("SEC"). The public can read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us.



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**Item 1. Financial Statements**

**Safety Shot, Inc.**





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**Safety Shot, Inc.**
**Condensed Consolidated Balance Sheets**
**As of September 30, 2024 and December 31, 2023**

| | Nine Months Ended September 30, 2024 (Unaudited) | Year Ended December 31, 2023 (Audited) |
|---|---|---|
| **Assets** | | |
| Cash | $ 1,360,401 | $ 3,833,349 |
| Marketable Securities | 54,720 | 842,976 |
| Inventory | 523,591 | 795,824 |
| Account Receivable | 5,231 | 5,585 |
| Prepaid expenses and deposits | 1,029,351 | 1,469,733 |

| | | |
|---|---|---|
| Investment in SRM & Affiliates | 3,000 | 657,183 |
| Note Receivable | 500,000 | 86,174 |
| Total current assets | 3,476,294 | 7,690,824 |
| | | |
| Right of Use assets | 346,000 | 479,027 |
| Intangible assets, net of amortization | 4,450,201 | 4,511,057 |
| Fixed assets, net of depreciation | 102,949 | 28,272 |
| **Total assets** | $ 8,375,444 | $ 12,709,180 |
| | | |
| **Liabilities and Shareholders' Equity** | | |
| Accounts payable | $ 1,266,369 | $ 1,493,809 |
| Convertible notes | - | 1,500,000 |
| Current portion of lease liability | 207,689 | 214,752 |
| Accrued interest | - | 269,152 |
| Accrued liabilities | 305,179 | 60,450 |
| Covid-19 SBA Loan | 48,181 | 48,974 |
| **Total current liabilities** | 1,827,418 | 3,587,137 |
| | | |
| Long-term portion lease liability | 169,538 | 304,907 |
| **Total liabilities** | 1,996,956 | 3,892,044 |
| | | |
| Preferred stock, $0.001 par value, 100,000 shares authorized, of which none are issued and outstanding | - | - |
| Common stock, $0.001 par value, 250,000,000 shares authorized, of which 59,482,554 and 45,634,154 shares were issued and outstanding as of September 30, 2024 and December 31, 2023 | 59,483 | 45,634 |
| Additional paid-in capital | 105,967,868 | 73,726,987 |
| Common stock payable | 1,909,894 | 725,230 |
| Accumulated deficits | (101,558,757) | (65,680,715) |
| **Total Shareholders' Equity** | 6,378,488 | 8,817,136 |
| | | |
| **Total Liabilities and Shareholders' Equity** | $ 8,375,444 | $ 12,709,180 |

The accompanying notes are an integral part of these unaudited financial statements.



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**Safety Shot, Inc.**
**Condensed Consolidated Statements of Operations**
**For the Three and Nine Months Ended September 30, 2024 and 2023**
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Revenue** | | | | |
| Sales | $ 110,213 | $ 11,877 | $ 519,793 | $ 69,968 |
| Cost of Sales | 402,399 | 46,438 | 2,549,099 | 97,977 |
| Gross profit | (292,186) | (34,561) | (2,029,306) | (28,009) |
| | | | | |
| **Operating expense** | | | | |
| General and administrative expenses | 11,348,320 | 4,090,608 | 32,923,489 | 7,040,858 |
| Total operating expenses | 11,348,320 | 4,090,608 | 32,923,489 | 7,040,858 |
| **Other income / (expense)** | | | | |
| Interest income | 9,484 | 56,113 | 40,699 | 56,802 |
| Interest expense | (67,404) | (54,751) | (252,108) | (168,869) |
| Loss on sale of marketable securities | - | - | (46,658) | - |
| Realized Gain/Loss on sale of stock | 68,333 | - | 231,159 | - |
| Unrecognized loss of equity investment | - | (726,884) | - | (726,884) |
| Other income (expense) | - | (2,426,915) | (599,155) | (1,236,720) |
| Total other income (expense) | 10,413 | (3,152,437) | (626,062) | (2,075,671) |
| | | | | |
| Loss from operations | $ (11,630,093) | $ (7,277,606) | $ (35,578,858) | $ (9,144,538) |
| | | | | |
| Loss from discontinued operations | (299,184) | (460,695) | (299,184) | (261,528) |
| | | | | |
| Net income (loss) | $ (11,929,277) | $ (7,738,301) | $ (35,878,042) | $ (9,406,066) |
| | | | | |
| Net (loss) per share: | | | | |
| Basic | $ (0.21) | $ (0.26) | $ (0.69) | $ (0.34) |
| | | | | |
| Weighted average number of shares | | | | |
| Basic | 55,930,639 | 29,836,485 | 51,713,368 | 27,370,658 |

The accompanying notes are an integral part of these unaudited financial statements.



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**Safety Shot, Inc.**
**Condensed Consolidated Statements of Changes in Shareholders' Equity**
**For the Three and Nine Months Ended September 30, 2024 and**

**Years Ended December 31, 2023 (Unaudited)**

| | Common Stock | | Common Stock | Additional Paid in | Accumulated | |
|---|---|---|---|---|---|---|
| | Shares | Amount | Payable | Capital | Deficits | Total |
| **Balance, December 31, 2022** | **22,338,888** | **$ 22,339** | **$ 477,000** | **$ 53,763,929** | **$ (50,597,674)** | **$ 3,665,594** |
| Shares issued in Public Offering | 4,315,787 | 4,316 | - | 3,446,359 | - | 3,450,675 |
| Net Loss | | | | | (1,308,174) | (1,308,174) |
| **Balance, March 31, 2023** | **26,654,675** | **$ 26,655** | **$ 477,000** | **$ 57,210,288** | **$ (51,905,848)** | **$ 5,808,095** |
| Shares issued for services | 500,000 | 500 | - | 219,500 | - | 220,000 |
| Net Loss | | | | | (359,591) | (359,591) |
| **Balance, June 30, 2023** | **27,154,675** | **$ 27,155** | **$ 477,000** | **$ 57,429,788** | **$ (52,265,439)** | **$ 5,668,504** |
| Shares used for Stock Payable | 300,000 | 300 | (192,000) | 191,700 | - | - |
| Stock payable for services | | | 113,500 | - | - | 113,500 |
| Stock payable for inducement | | | 326,730 | - | - | 326,730 |
| Purchase of intangible asset | 5,000,000 | 5,000 | - | 2,463,500 | - | 2,468,500 |
| Stock issued for services | 1,175,000 | 1,175 | - | 456,750 | - | 457,925 |
| Warrant Conversions | 3,579,084 | 3,579 | - | 3,332,195 | - | 3,335,774 |
| Deconsolidation of SRM Entertainment and change to equity method of accounting | - | - | - | 551,757 | - | 551,757 |
| Fair value of price reduction on conversion price for notes and warrants | - | - | - | 1,120,333 | - | 1,120,333 |
| Fair value of options granted to employees | - | - | - | 39,444 | - | 39,444 |
| Fair value of warrants granted for services | - | - | - | 364,960 | - | 364,960 |
| Net loss | - | - | - | - | (7,738,301) | (7,738,301) |
| **Balance, September 30, 2023** | **37,208,759** | **37,209** | **$ 725,230** | **$ 65,950,427** | **$ (60,003,740)** | **$ 6,709,126** |
| **Balance, December 31, 2023** | **45,634,154** | **$ 45,634** | **$ 725,230** | **$ 73,726,987** | **$ (65,680,715)** | **$ 8,817,136** |
| Common Stock issued from stock payable for services | 100,000 | 100 | (113,500) | 113,400 | - | - |
| Common Stock issued from stock payable on extinguishment of debt | 262,000 | 262 | (245,044) | 244,782 | - | - |
| Common Stock due for services | - | - | 48,400 | - | - | 48,400 |
| Common Stock due on warrant conversions | - | - | 2,800 | - | - | 2,800 |
| Common Stock issued for services | 450,000 | 450 | - | 614,050 | - | 614,500 |
| Common Stock issued for warrant conversions | 2,774,119 | 2,774 | - | 3,789,441 | - | 3,792,215 |
| Fair value of options granted | - | - | - | 7,970,134 | - | 7,970,134 |
| Net loss for the three months ended March 31,2024 | - | - | - | - | (15,674,671) | (15,674,671) |
| **Balance, March 31, 2024** | **49,220,273** | **$ 49,220** | **$ 417,886** | **$ 86,458,794** | **$ (81,355,386)** | **$ 5,570,514** |
| Shares issued from Stock Payable - services for services | 20,000 | 20 | (48,400) | 48,380 | - | - |
| Shares issued from Stock Payable - Conv note extinguishment | - | - | 344,196 | - | - | 344,196 |
| Shares due for services | - | - | - | 31,500 | - | 31,500 |
| Share due on warrant conversion | | - | (2,800) | - | - | (2,800) |
| Shares issued for employee bonus | 250,000 | 250 | - | 347,250 | - | 347,500 |
| Shares issued for private placement | 2,369,668 | 2,370 | - | 4,997,630 | - | 5,000,000 |
| Warrant conversions | 156,008 | 156 | - | 153,844 | - | 154,000 |
| Shareholder Investment | - | - | 1,000,000 | - | - | 1,000,000 |
| Fair value of options granted | - | - | - | 2,298,635 | - | 2,298,635 |
| Net loss for the three months ended June 30, 2024 | - | - | - | - | (8,274,094) | (8,274,094) |
| **Balance June 30, 2024** | **52,015,949** | **$ 52,016** | **$ 1,710,882** | **$ 94,336,033** | **$ (89,629,480)** | **$ 6,469,451** |
| Shares issued from Stock Payable - services for services | | | | | | |
| Shares issued from Stock Payable - Conv note extinguishment | 330,957 | 332 | (344,196) | 343,864 | | - |
| Shares to be issued from stock payable - Conv note extinguishment | | | 1,543,208 | - | | 1,543,208 |
| Shares due for services | 2,057,436 | 2,057 | | 2,553,343 | | 2,555,400 |
| Shares issued for employee bonus | 250,000 | 250 | | 347,250 | | 347,500 |
| Shares issued for private placement | 4,762,212 | 4,762 | (1,000,000) | 4,916,587 | | 3,921,349 |
| Warrant conversions | 66,000 | 66 | | 16,434 | | 16,500 |
| Deconsolidation from Caring Brands Inc from Company | | | | 935,836 | | 935,836 |
| Fair value of options granted | | | | 2,518,521 | | 2,518,521 |
| Net loss for the three months ended Sept. 30, 2024 | | | | | (11,929,277) | (11,929,277) |
| **Balance September 30, 2024** | **59,482,554** | **$ 59,483** | **$ 1,909,894** | **$ 105,967,868** | **$ (101,558,757)** | **$ 6,378,488** |

The accompanying notes are an integral part of these financial statements.



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**Safety Shot, Inc.**
**Condensed Consolidated Statements of Cash Flows**
**For the Nine Months Ended September 30, 2024 and 2023**
**(Unaudited)**

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2024 | 2023 |
| **Cash flows from operating activities:** | | |
| Net (loss) from continued operations | $ (35,578,858) | $ (9,144,538) |
| Bad debt expense | - | 4,816 |

| | | |
|---|---|---|
| Depreciation and Amortization expense | 318,035 | 112,442 |
| Gain on sale of fixed assets | | (23,308) |
| Fair value of shares issued for services rendered | 3,249,801 | 791,425 |
| Fair value of shares issued for inducement | | 326,730 |
| FV of shares issued for employees bonus | 695,000 | - |
| Fair value of options issued for services | 12,787,290 | 39,444 |
| Fair value of warrants issued for services | - | 364,960 |
| Loss on extinguishment | - | 1,120,333 |
| Unrealized gain/loss on equity investment | 599,155 | 726,884 |
| Gain on sale of SRM Stock | (431,972) | - |
| Realized gain/loss on sale of marketable securities | 269,723 | 356,359 |
| Unrealized gain/loss on marketable securities | 101,088 | (216,664) |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities | | |
| Prepaid expenses and deposits | 526,556 | (181,946) |
| Right of Entry asset | 133,027 | 122,458 |
| Accounts receivable | 354 | 371,803 |
| Inventory | 272,233 | 94,157 |
| Accounts payable | (227,924) | (59,862) |
| Accrued liabilities | 187,188 | 130,938 |
| Lease liability | (142,432) | (118,894) |
| **Net cash (used in) continuing operating activities** | **$ (17,241,736)** | **$ (5,182,463)** |
| | | |
| **Reclassification to discontinued operations** | | |
| Income (loss) from discontinued operations | (299,184) | (261,528) |
| Reclassification to assets & liabilities held for sale | - | 863,065 |
| **Net cash (used in) discontinued operations** | **$ (299,184)** | **$ 601,537** |
| | | |
| **Cash flows from investing activities:** | | |
| Cash paid for purchase of assets | - | (200,000) |
| **Cash paid for SRM Inc.** | - | (390,478) |
| Cash received for sales of SRM stock | 490,000 | - |
| **Cash received from SRM Inc.** | | 345,032 |
| Cash received for sale of marketable securities | 417,445 | 665,631 |
| **Cash paid for marketable securities** | | (14,332) |
| Net change to value of marketable securities | | 1,534,814 |
| **Cash paid for investment** | (572,694) | (508,800) |
| Purchase of equipment | (87,162) | (108,954) |
| **Proceeds from sale of assets** | - | 39,100 |
| **Net cash (used in) investing activities** | **$ 247,589** | **$ 1,362,013** |
| | | |
| **Cash flows from financing activities** | | |
| Shares issued for cash | | 6,786,449 |
| Shares issued for warrant conversion | 3,962,715 | - |
| Loans to affiliates | | (699,952) |
| Shares issued for private placement | 9,921,832 | - |
| Deconsolidation of CBI from SS | 935,836 | - |
| Borrowings on debt | | 199,097 |
| Payments on debt | | (156,436) |
| **Net cash (used in) provided by investing activities** | **$ 14,820,383** | **$ 6,129,158** |
| | | |
| Net (decrease) in cash and cash equivalents | $ (2,472,948) | $ 2,910,245 |
| | | |
| Cash and cash equivalents at the beginning of the period | $ 3,833,349 | $ 1,477,552 |
| | | |
| **Cash and cash equivalents at the end of the period** | **$ 1,360,401** | **$ 4,387,797** |
| | | |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | |
| Cash paid for interest | - | - |
| Cash paid for income taxes | - | - |
| **Non-cash items:** | | |
| Reclassification of Held to Maturity investments to Marketable Securities | - | 3,417,100 |
| Common Stock issued from stock payable on extinguishment of debt | 245,044 | - |
| Common Stock issued from stock payable on service | 161,900 | 192,000 |
| Common Stock issued form stock payable on warrant conversions | 2,800 | - |
| Shares issued for GBB asset purchase | - | 2,468,500 |
| Reclassification for SRM Ltd deconsolidation | - | 146,800 |
| Investment in GBB asset | 175,000 | |
| Shares issued for note conversion | 1,543,208 | |

The accompanying notes are an integral part of these unaudited financial statements.



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**SAFETY SHOT, INC.**
**Notes to Financial Statements**
**For the Nine Months Ended September 30, 2024 and**
**Year Ended December 31, 2023**
**(Unaudited)**

**Note 1 - Organization and Business Operations**

Safety Shot Inc. (NASDAQ: SHOT) was formerly known as Jupiter Wellness Inc. In August 2023, the Company successfully completed the asset purchase of the functional beverage Safety Shot from GBB Drink Lab, Inc. ("GBB"), thereby gaining ownership of various assets, including the intellectual property, trade secrets, and trademarks associated with its liquid dietary supplement that can lower blood alcohol content by supporting its metabolism (the "Sure Shot Dietary Supplement"). Concurrently with the purchase, the Company changed its name to Sure Shot, Inc. and changed its NASDAQ trading symbol to SHOT. The Company launched the Sure Shot Dietary Supplement in December 2023.

The Sure Shot Dietary Supplement has a well-established clinical development infrastructure and fits within the Company's existing over-the-counter and health and wellness products. The Company will continue its current products line as an operating division and is committed to supporting health and wellness by developing innovative solutions to a range of conditions. We take pride in our research and development of our products and intellectual property, which aim to address some of the most prevalent health and wellness concerns today. We are dedicated to staying up-to-date with the latest scientific research and technology, ensuring that our products are effective, safe, and meet the highest industry standards.

To achieve our mission, we rely on a team of highly skilled and experienced professionals who are committed to advancing our vision of health and wellness. Our team includes scientists, researchers, product developers, and business experts who collaborate to create new products and enhance existing ones. We also partner with industry leaders and organizations to leverage the latest technologies and expand our reach.

We generate revenue through various channels through the sales of our consumer products. Our products are available through various retailers and e-commerce platforms, making them accessible to a broad customer base. Additionally, we collaborate with other companies to license our intellectual property, creating additional revenue streams and expanding our global presence.

**Going Concern Consideration**

As of September 30, 2024, and December 31, 2023, the Company had accumulated deficits of $(101,558,757) and $(65,680,715), respectively, and cash flow used in operations of $17,241,736 and $10,515,314 for the nine months ended September 30, 2024 and year ended December 31, 2023. The Company has incurred and expects to continue to incur significant costs in pursuit of its expansion and development plans. At September 30, 2024 and December 31, 2023, the Company had $1,360,401 and $3,833,349, respectively, in cash and working capital of $1,648,876 and $4,103,687, respectively. These conditions have raised substantial doubt about the Company's ability to continue as a going concern as noted by our auditors, M&K CPAS, PLLC.

**Note 2 - Significant Accounting Policies**

**Basis of Presentation**

The accompanying consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of US Securities and Exchange Commission ("SEC").The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Jupiter Wellness Investments, Inc., a Florida corporation. All intercompany accounts and transactions have been eliminated.

**Emerging Growth Company Status**

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.



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**Cash and Cash Equivalents**

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows. There were no cash equivalents as of September 30, 2024 or December 31, 2023.

**Inventory**

Inventories are stated at the lower of cost or market. The Company periodically reviews the value of items in inventory and provides write-downs or write- offs of inventory based on its assessment of market conditions. Write-downs and write-offs are charged to cost of goods sold. Inventory is based upon the average cost method of accounting. During the nine months ended September 30, 2024, the Company took a write down of certain raw materials and finished goods totaling $1,902,279, due to rebranding issues. During the corresponding period for 2023, the Company had no write-downs or write-offs.

**Net Loss per Common Share**

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants, convertible securities and preferred stock, unless the effect is to reduce a loss or increase earnings per share. As such, options, warrants, convertible securities, and preferred stock are not considered in the calculations, as the impact of the potential common shares would be to decrease the loss per share.

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |

| | | | | |
|---|---|---|---|---|
| **Numerator:** | | | | |
| **Net (loss)** | (11,929,277) | (7,738,301) | (35,878,042) | (9,406,066) |
| | - | - | | |
| **Denominator:** | - | - | | |
| Denominator for basic earnings per share - Weighted-average common shares issued and outstanding during the period | 55,930,639 | 29,836,485 | 51,713,368 | 27,370,658 |
| Denominator for diluted earnings per share | 55,930,639 | 29,836,485 | 51,713,368 | 27,370,658 |
| Basic (loss) per share | (0.21) | (0.26) | (0.69) | (0.34) |
| Diluted (loss) per share | (0.21) | (0.26) | (0.69) | (0.34) |

**Fair Value of Financial Instruments**

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

**Revenue Recognition**

The Company generates its revenue from the sale of its products directly to the end user or through a distributor (collectively the "customers").

The Company recognizes revenues by applying the following steps in accordance with FASB Accounting Standards Codification 606 "Revenue from Contracts with Customers" ("ASC 606"). Under ASC 606, revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.



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The Company's performance obligations are satisfied when goods or products are shipped on a FOB shipping point basis as title passes when shipped. Our products are generally paid in advance of shipment or standard net 30 days and we offer no specific right of return, refund or warranty related to our products except for cases of defective products of which there have been none to date.

**Accounts Receivable and Credit Risk**

Accounts receivable are generated from sales of the Company's products. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. During the nine months ended September 30, 2024 and year ended December 31, 2023, the Company recognized no allowance for doubtful collections.

**Impairment of Long-Lived Assets**

We evaluate long-lived assets (including intangible assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset is expected to generate.

**Intangible Assets**

Intangible assets consist of patents and trademarks, purchased customer contracts, purchased customer and merchant relationships, purchased trade names, purchased technology, and non-compete agreements. Intangible assets are amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from one to twenty years. No significant residual value is estimated for intangible assets. We evaluate long-lived assets (including intangible assets) for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. An asset is considered impaired if its carrying amount exceeds the undiscounted future net cash flow the asset is expected to generate. The Company's evaluation of its long-lived assets resulted in no impairment during the nine months ended September 30, 2024, or year ended December 31, 2023.

**Research and Development**

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of $271,719 and $98,091 for the nine-months ended September 30, 2024, and 2023, respectively.

**Stock Based Compensation**

The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 "Compensation - Stock Compensation" ("ASC 718"). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

On October 24, 2018, the inception date, the Company adopted ASU No. 2018-07 "Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting." These amendments expand the scope of Topic 718, Compensation - Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to non-employees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned.

**Income Taxes**

The Company accounts for income taxes under ASC 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition. Based on the Company's evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. Since the Company was incorporated on October 24, 2018, the evaluation was performed for 2018 tax year which would be the only period subject to examination. The Company believes that its income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in a material changes to its financial position. The Company's policy for recording interest and penalties associated with audits is to record such items as a component of income tax expense.

The Company's deferred tax asset at December 31, 2023 consists of net operating loss carry forwards calculated using federal and state effective tax rates equating to approximately $8,658,484 less a valuation allowance in the amount of $8,658,484.

**Related parties**

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The consolidated financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

**Recent Accounting Pronouncements**

The company evaluated issued pronouncements and did not identify any recent pronouncements that apply to the Company.

**Note 3 - Accounts Receivable**

At September 30, 2024 and December 31, 2023, the Company had accounts receivable of $5,231 and $5,585, respectively.





**Note 4 - Prepaid Expenses and Deposits**

At September 30, 2024, the Company had prepaid expenses and deposits totaling $1,029,351 consisting of $319,216 of prepaid orders, $270,869 of prepaid insurance, and $439,267 of deposits on raw materials. At December 31, 2023 the Company had prepaid expenses and deposits totaling $1,469,733, consisting of $1,073,823 of deposits on raw materials, prepaid insurance of $56,335, and prepaid orders of $339,575.

**Note 5 - Inventory**

At September 30, 2024, the Company had inventory of $523,591 consisting of $192,032 of raw materials and $331,559 of finished goods. At December 31, 2023, the Company had inventory of $795,824, consisting $746,663 of raw materials and packaging supplies and $49,161 of finished goods.

**Note 6 – Marketable Securities**

At December 31, 2022, the Company had invested $2,908,300 in Jupiter Wellness Sponsor LLC ("JWSL"), a limited liability company formed for the sole purpose of sponsorship of Jupiter Wellness Acquisition Corp. ("JWAC"), a special purpose acquisition company ("SPAC") and an unconsolidated subsidiary. On May 2, 2023, JWAC's stockholders approved JWAC's business combination with Chijet Inc. and its affiliates including Chijet Motor Company Inc. (collectively "Chijet"), at its Special Meeting of Stockholders and closed the transaction on June 1, 2023. As a result, on June 27, 2023, the Company received a total of 1,662,434 shares of restricted common stock of Chijet (Nasdaq: CJET) in exchange for its Loans. In August 2023, the Company received 96,000 additional shares of ChiJet due to downside protection clauses in the business combination agreements. In May 2023, the Company purchased 48,000 shares of JWAC (now Chijet) common stock for $508,800 and in September and October 2023, the Company purchased an additional 18,200, shares for $36,330. At December 31, 2023 the Company, the Company held 1,200,821 common shares of Chijet (the "CJET Shares") valued at $842,976. These CJET Shares are considered trading securities and are categorized as marketable securities on the balance sheet. During the year ended December 31, 2023 the Company sold 271,679 ChiJet shares for a realized gain of $238,834.

At the end of September 30, 2024, all of the Company's CJET Shares have been sold. During the nine months ended September 30, 2024, the Company realized a $269,723 loss.

**Note 7 – Note Receivable**

On September 23, 2024, the Company entered into a loan agreement with Yerbae Brands Corp. ("Yerbae") pursuant to which the Company loaned an aggregate of $500,000 to Yerbae. The loan is due 11 months from issuance. The loan has an original issue discount so the amount due is $540,000. The Company has been working on increasing its relationship with Yerbae, whom the Company believes can not only help enhance the distribution network for our products but can lead to other synergistic opportunities.

**Note 8 - Intangible Assets**

*Safety Shot Acquisition*

On July 10, 2023, the Company entered into an Asset Purchase Agreement (the "APA") with GBB Drink Lab, Inc. ("GBB") under the terms of which the Company acquired certain assets of GBB (the "Purchased Assets") which included the patents for a blood alcohol reduction product Safety Shot, an over-the- counter dietary supplement that can lower blood alcohol content by supporting its metabolism. The purchase price was 5,000,000 shares of the Company's restricted common stock, valued at $2,468,500, plus $200,000in cash and additional amounts based upon achieving certain benchmarks. At the time of purchase GBB had no employees, no revenues and no operations and reported its only asset was intellectual property. Using guidance provided under the FASB Accounting Standards Update No. 2017-01, *Clarifying the Definition of a business,* the transaction was accounted for as a single asset purchase and the entire purchase price of $2,668,500 was allocated to the patents. The APA also contains two earn-out provisions that entitle GBB to additional consideration for the Purchased Assets in the maximum amount of $5,500,000 as follows: (i) in the event that during the Earn-Out Period, the Company receives cash proceeds of at least $11,000,000 from exercises of the Company's $1.00 Warrants at an exercise price of $1.00 per Common Share ("Milestone 1"), the Company shall pay to the Seller $2,500,000 payable in cash; and (ii) in the event that during the Earn-Out Period, the Company receives cash proceeds of at least $14,000,000 from exercises of the Company's outstanding July 2021 Warrants at an exercise price of $1.40 per Common Share ("Milestone 2" and collectively with Milestone 1, the "Earn-Out Milestones" and individually, an "Earn-Out Milestone"), the Company shall pay to the Seller an additional $3,000,000 in cash. In December 2023, the Company paid an additional $2,000,000 under the earn-our provisions which was allocated to the patents. As of September 30, 2024, GBB is entitled to an additional payment of $175,000 under Milestone 2).

The patents will be amortized over twelve years (the remaining 12-year life of the patents). During the nine months ended September 30, 2024 and year ended December 31, 2023, the Company recognized $305,550 and $157,443 of amortization expense, respectively.

| Purchase Price: | | | Allocation of Purchase Price: | |
|---|---|---|---|---|
| Cash | $ | 2,200,000 | Patents | 4,913,194 |
| Fair value of stock issued | | 2,468,500 | Amortization | (462,993) |
| Addition legal costs for patent | $ | 69,694 | | |
| Contingent Liability | | 175,000 | | |
| | $ | 4,913,194 | Balance | 4,450,201 |



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**Note 9 – Accrued Liabilities**

At September 30, 2024 and December 31, 2023, the Company had accrued interest on the convertible notes below of $0 and $269,152, respectively. At September 30, 2024 the Company had accrued liabilities totaling $305,178, which included $113,560 of financed insurance premiums, a contingent liability of $175,000, and other liabilities of $16,619. And at December 31, 2023 the Company had financed insurance premiums of $40,681.

**Note 10 - Convertible Notes Payable – Related Parties**

On April 20, 2022, the Company entered into a $1,500,000 Loan Agreement and a $500,000 Loan Agreement (collectively the "Agreements"). Pursuant to the Agreements, the Company issued two Convertible Promissory Notes in the principal amounts of $1,500,000 and $500,000 (the "Notes"). In connection with the Notes the Company issued Common Stock Purchase Warrants for 1,100,000 shares and 360,000 shares of the Company's common stock (the "Warrants") and issued a total of 250,000 shares of the Company's common stock as Origination Shares. The Notes have an original issuance discount of five percent (5%), $10,000 in legal fees, an interest rate of eight percent (8%), and a conversion price of $2.79 per share, subject to an adjustment downward if the Company is in default of the terms of the Notes. The Warrants have a five (5) year term, an exercise price of $2.79 per share, have a cashless conversion feature until such time as the shares underlying the Warrants are included in an effective registration and certain anti-dilution protection. During the year ended December 31, 2023, the Notes were amended to change the conversion price of the Notes and exercise price of all outstanding warrants was reduced to $0.93 pursuant to down round protection provisions in the loan and warrant agreements and to extend the Notes to January 31, 2024. The change on the Notes conversion rate was a change from $2.79 and the change to the outstanding warrants exercise price was on 500,000 warrants with $6.00 price, 1,460,000 at $2.79 and 800,000 at $1.00. The amendment is considered a material modification of the Notes and the Company has used extinguishment accounting to account for the change. The fair value of the additional shares underlying the Note conversion and warrant exercise using the reduced conversion and exercise price was measured using the Black-Scholes valuation model. The fair value of the conversion feature totals $923,603 and the fair value of the warrants totals $196,730. The total loss on extinguishment of $1,120,333 has been included in other gains and losses. In December 2023, $430,331 of the $500,000 Note and accrued interest of $69,669 was converted into 537,634 shares of the Company's common stock. On June 28, 2024, the Notes were amended to change the due date to September 30, 2024 and to allow the Company to pay the accrued interest in shares of the Company's common stock. In consideration for the extension of the maturity date, the Company agreed to assign 150,000 shares of SRM Entertainment, Inc. common stock held by the Company to the Note Holder. These shares were valued at $189,000 and recorded as interest expense with a corresponding gain, which was valued at market price on the day of the agreement. Additionally, the Company agreed to issue 330,957 shares of its common stock to pay $306,953 of accrued interest, which is valued at $1.04 per share and is the fair market value of the stock on the date of the agreement. On July 1, 2024 330,957 shares were issued against the common stock payable recorded at the end of June 30, 2024. In addition, on September 30, 2024, the note holder exercised its right to convert the full principal amount of $1,500,000 at the stated exercise price on the note of $.932 which resulted in the issuance of 1,655,803 of the Company's common stock.

The following table sets forth a summary of the principal balances of the Company's convertible promissory notes activity for the nine months ended September 30, 2024, and years ended December 31, 2023, and 2022:

| | |
|---|---|
| **Principal Balance, December 31, 2022** | 2,000,000 |
| Conversion of one of the notes | (500,000) |
| **Principal Balance, December 31, 2023** | **1,500,000** |
| Conversion of one of the notes, paid interest then principal, leaving new balance | 69,669 |
| **Principal Balance, June 30, 2024** | **1,569,669** |
| Made a cash payment towards interest and principal balance in full | (69,669) |
| Conversion of full principal balance of final note | (1,500,000) |
| **Principal Balance, September 30, 2024** | **-** |

Interest expense related to the above Notes for the nine months ended September 30, 2024, and 2023 was $252,107 and $118,359, respectively.

**Note 11 – Covid-19 SBA Loans**

During the year ended December 31, 2020, the Company applied for and received $55,700 under the Economic Injury Disaster Loan Program ("EIDL"), which is administered through the Small Business Administration ("SBA"). During 2021, the SBA notified the Company that the terms of the EIDL are a term of 30 years and an interest rate of 3.75%. The balance of the EIDL at September 30, 2024 and December 31, 2023 was $48,181 and $48,974, respectively.



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**Note 12 - Capital Structure**

***Preferred Stock -*** The Company is authorized to issue a total of 100,000 shares of preferred stock with par value of $0.001. No shares of preferred stock are issued and outstanding.

***Common Stock -*** The Company is authorized to issue a total of 250,000,000 shares of common stock with par value of $0.001. As of September 30, 2024 and December 31, 2023, there were 59,482,554 and 45,634,154 shares of common stock issued and outstanding, respectively.

**Year ended December 31, 2023 issuances:**

***Shares issued in Public Offering***

Concurrently to the PIPE Agreement and Offering of Stock Warrants (see Note 13 below), the Company entered into a Securities Purchase Agreement (the "RD Agreement") with certain purchasers, pursuant to which on January 23, 2023, 4,315,787 shares of common stock, par value $0.001 (the "Common Stock"), at a price of $0.70 per share were issued to the purchasers (the "RD Offering"). The Common Stock was issued pursuant to a Registration Statement on Form S-3 filed by the Company with the Securities and Exchange Commission (the "Commission") on September 28, 2022 (File No. 333- 267644) and declared effective on November 9, 2022. The aggregate gross proceeds to the Company from both the PIPE Offering and the RD Offering were approximately $4.1 million, with the purchase price of one share, one 3-year warrant and one 5-year warrant as $0.95. The net proceeds were $3,450,675.

***Shares issued for services***

During the year ended December 31, 2023, the Company entered into Consulting Agreements under the terms of which the Company issued 1,675,000 shares of its common stock. The shares were issued at their respective fair value based on the Company's Nasdaq closing price of the shares on the date of the issuance of the shares. The Company recognized $677,925 as stock-based compensation in the year ended December 31, 2023.

***Shares issued for stock payable***

During the year ended December 31, 2023, the Company issued 300,000 shares which were included in Common Stock Payable at December 31, 2022 with a fair value of $192,000. In connection with two Consulting Agreements, the Company had not issued 450,000 shares with a fair value of 440,230 which are included in common stock payable.

***Shares issued for purchase of assets***

In July 2023, the Company entered into an Asset Purchase Agreement for the purchase of intellectual property relating to Safety Shot (see Note 9). The purchase price included the issuance of 5,000,000 shares of the Company's restricted common stock.

***Shares issued for exercise of warrants related to promissory notes***

In August 2023, the Company issued a total of 1,200,000 shares upon exercise of warrants related to the Promissory Notes described in Note 11. The Company received $1,118,400 for the exercise.

***Shares issued for exercise of warrants related to the Pipe transaction***

Beginning in August 2023, the certain holders of warrants related to the Company's IPO and PIPE transaction above, exercised a portion of their warrant holdings and the Company issued a total 10,266,845 shares of its common stock upon exercise. The Company received $8,887,837 for the exercise.

***Shares issued for conversion of promissory note***

In December 2023, a $500,000 convertible promissory note was converted into 537,634 shares of the Company's restricted common stock.

The following table sets forth the issuances of the Company's shares of common stock for the year ended December 31, 2023 as follows:

| | |
|---|---|
| **Balance December 31, 2022** | **22,338,888** |
| Public offering | 4,315,787 |
| Shares issued for stock payable | 300,000 |
| Shares issued for services | 1,675,000 |
| Stock issued for asset purchase | 5,000,000 |
| Stock issued for conversion of warrants related to Notes | 1,200,000 |
| Stock issued in connection with note conversion | 537,634 |
| Stock issued for conversion of warrants related to IPO | 10,266,845 |
| **Balance December 31, 2023** | **45,634,154** |

**Nine months ended September 30, 2024 issuances:**

***Shares issued for services***

During the nine months ended September 30, 2024, the Company issued a total of 3,027,436 shares of common stock for services valued at $3,944,801 based upon the closing market price of the Company's stock on the date of the related agreements.

***Shares issued warrant conversions***

During the nine months ended September 30, 2024, the Company issued a total of 2,996,127 shares of common stock for the conversion of warrants for which the Company received a total of $3,962,715 cash.

***Common Stock Payable***

During the nine months ended September 30, 2024, the Company issued a total of 100,000 shares of common stock related to two consulting agreements entered into during 2023 that were recorded as Common Stock Payable at December 31, 2023 and valued at a total of $113,500 and the Company issued 262,000 shares of common stock related to the promissory debt modification and extinguishment recorded as Common Stock Payable at December 31, 2023 and valued at a total of $245,044. In addition, the Company recorded as Common Stock Payable at September 30, 2024, totaling 1,655,803 shares of common stock valued at $1,543,208 as interest payable in stock in lieu of cash for note holder.

The following table sets forth the issuances of the Company's shares of common stock for the nine months ended September 30, 2024 as follows:

| | |
|---|---|
| **Balance December 31, 2023** | **45,634,154** |
| Shares issued for stock payable | 362,000 |
| Shares issued for services | 2,527,436 |
| Convertible Note Extinguishment | 330,957 |
| Shares issued for employee bonus | 500,000 |

| | |
|---|---|
| Shares issued for private placement | 7,131,880 |
| Stock issued for conversion of warrants | 2,996,127 |
| **Balance September 30, 2024** | **59,482,554** |



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**Note 13 - Warrants and Options**

***Warrants***

Convertible Note Warrants: During the year ended December 31, 2023, the Company issued a total of 2,260,000 warrants with an exercise price of between $1.00 and $2.79 with five-year terms in connection with two convertible promissory notes (see Note 10).

| Reporting Date | Relative Fair Value | Term (Years) | Exercise Price | Market Price on Grant Date | Volatility Percentage | Risk-free Rate |
|---|---|---|---|---|---|---|
| 04/20/22 | $ 706,977 | 5 | $ 2.79 | $ 1.11 | 281% | 0.0287 |
| 11/11/22 | $ 937,207 | 5 | $ 1.00 | $ 1.28 | 211% | 0.0432 |

PIPE Warrants: On January 19, 2023, in a private placement, the Company entered into a Securities Purchase Agreement (the "PIPE Agreement") with certain purchasers, for the issuance of 8,631,574 common stock warrants (the "PIPE Offering") at a price of $0.125 per warrant, comprised of two common stock warrants (the "Common Warrants,"), each to purchase up to one share of Common Stock per Common Warrant with an exercise price of $1.00 per share, with (a) 4,315,787 Common Warrants being immediately exercisable for three years following 6 months from the closing of the PIPE Offering, and (b) 4,315,787 Common Warrants being immediately exercisable for five years following 6 months from the closing of the PIPE Offering. On February 15, 2023, the Company filed an S-1 Registration Statement (File No. 333-269794) covering the underlying shares of the Warrants.

| Reporting Date | Relative Fair Value | Term (Years) | Exercise Price | Market Price on Grant Date | Volatility Percentage | Risk-free Rate |
|---|---|---|---|---|---|---|
| 1/23/2023 | $ 2,311,614 | 3 | $ 1.00 | $ 0.65 | 287% | 0.0388 |
| 1/23/2023 | $ 2,602,996 | 5 | $ 1.00 | $ 0.65 | 371% | 0.0361 |

During the year ended December 31, 2023, the Company entered into four Investor Relations Consulting Agreements under the terms of which the Company issued a total of 1,000,000 five-year warrants, with an exercise price between $1.00 and $1.40. The Company recorded an expense of $364,960 in connection with this issuance.

| Reporting Date | Relative Fair Value | Term (Years) | Exercise Price | Market Price on Grant Date | Volatility Percentage | Risk-free Rate |
|---|---|---|---|---|---|---|
| 08/10-08/21/23 | $ 364,960 | 5 | $ 1.00-1.40 | $ 0.87-1.18 | 151% | 0.0421-0.0465 |
| 10/05/2023 | $ 545,703 | 5 | $ 1.00-6.00 | $ 1.05 | 152% | 0.0468 |

The following tables summarize all warrants outstanding as of September 30, 2024, and December 31, 2023, and the related changes during the period.

Exercise price is the weighted average for the respective warrants and end of period.

| | Number of Warrants | Exercise Price |
|---|---|---|
| **Balance at December 31, 2022** | 15,958,126 | $ 1.74 |
| Warrants issued in Public Offering | 9,260,554 | 0.093 |
| Warrants issued for services | 1,000,000 | 1.23 |
| Warrants exercised in connection with Convertible notes | (1,200,000) | 0.093 |
| Warrants exercised in connection with public offering | (10,266,845) | 0.093 |
| **Balance at December 31, 2023** | 14,751,835 | $ 2.06 |
| Warrants exercised in connection with public offering | (2,950,127) | 1.40 |
| **Balance at September 30, 2024** | 11,801,708 | $ 3.46 |
| | | |
| Warrants Exercisable at September 30, 2024 | 11,801,708 | $ 3.46 |

***Stock Options***

During the year ended December 31, 2023, the Company entered into five employment and director agreements under the terms of which the Company issued 400,000 five-year options, with quarterly vesting, with an exercise price between $0.49 and $1.13 and 50,000 three-year options, immediately vesting with an exercise price of $0.46. The total fair value of the options is $202,638. The fair value of the options is being amortized over the vesting period. The Company recognized $39,444 expense for the year ended December 31, 2023.

During the nine months ended September 30, 2024, the Company entered into nine consulting agreements under the terms of which the Company issued 5,120,000 options with vesting periods from immediate to one year with an exercise price between $1.00 and $2.37 and terms from five to ten years. The total fair value of the options totals $10,637,862. The Company recognized $6,585,000 expense for the nine months ended September 30, 2024.

Also during the nine months ended September 30, 2024, the Company granted 5,555,000 options to officers, director and employees of the Company. These options have vesting periods from immediate to three years with an exercise price between $1.06 and $2.01 and terms of five years. The total fair value of the options totals $6,734,614. The Company recognized $6,202,291 expense for the nine months ended September 30, 2024.

The fair value of these warrants was measured using the Black-Scholes valuation model at the grant date. The table below sets forth the assumptions for Black-Scholes valuation model on the respective reporting date.

| Reporting Date | Number of Options | Term (Years) | Exercise Price | Market Price on Grant Date | Volatility Percentage | Fair Value |
|---|---|---|---|---|---|---|

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 7/10 – 8/1/23 | 450,000 | 3 - 5 | $ 0.46-1.13 | $ 0.46-1.13 | 158-160% | $ | 271,547 |
| 1/17 – 3/27/24 | 4,745,000 | 5 - 10 | $ 2.19-2.37 | $ 2.19-2.37 | 155-162% | $ | 10,278,150 |
| 1/16 – 3/11/24 | 5,420,000 | 2.5 | $ 1.57-1.96 | $ 1.57-1.96 | 119-121% | $ | 6,633,848 |
| 6/14 – 6/14/24 | 75,000 | 5 | $ 1.17 | $ 1.17 | 155% | $ | 81,186 |
| 5/16 – 6/26/24 | 135,000 | 2.5 | $ 1.06-1.44 | $ 1.06-1.44 | 120% | $ | 100,765 |
| 09/10 – 09/1/24 | 300,000 | 5 | $ 1.00 | $ .928 | 158% | $ | 278,526 |



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**Note 14 - Commitments and Contingencies**

The Company entered into a new office lease Effective July 1, 2021. The primary term of the lease is five years with one renewal option for an additional three years. Minimum annual lease payments for the primary term and one renewal are as follows:

| Primary Period | Amount | Amount During Renewal Period | Amount |
|---|---|---|---|
| July 1 to June 30, 2022 | $ 180,456 | July 1 to June 30, 2027 | $ 240,662 |
| July 1 to June 30, 2023 | $ 201,260 | July 1 to June 30, 2028 | $ 247,882 |
| July 1 to June 30, 2024 | $ 224,330 | July 1 to June 30, 2029 | $ 255,319 |
| July 1 to June 30, 2025 | $ 229,312 | | |
| July 1 to June 30, 2026 | $ 233,653 | | |

Under the new standard for lease reporting, the Company recorded a Right of Use Asset ("ROU") and an offsetting lease liability of $870,406 representing the present value of the future payments under the lease calculated using an 8% discount rate (the current borrowing rate of the company). The ROU and lease liability are amortized over the five-year life of the lease. The unamortized balances at September 30, 2024 were ROU asset of $346,000, current portion of the lease liability of $207,689 and non-current portion of lease liability of $169,538. At December 31, 2023, the unamortized balances were ROU asset of $479,027, the current portion of the lease liability was $214,752 and non-current portion of the lease liability was $304,907.

Additionally, the Company recognized accreted interest expense of $27,443 and $49,010 and rent expense of $203,434 and $231,790 for the lease during the nine months ended September 30, 2024 and year ended December 31, 2023, respectively.

***Legal Proceedings***

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.

On November 30, 2023, Intracoastal Capital, LLC ("Intracoastal") filed a lawsuit against the Company in the New York County Supreme Court, alleging that (i) the Company is in breach of a common stock warrant issued to Intracoastal on or about July 26, 2021, and (ii) that the Company should be ordered by the court to deliver to Intracoastal 330,619 free trading shares of Company common stock (the "Litigation"). The Litigation seeks compensatory damages in an amount no less than $2 million, in addition to liquidated damages and attorney's fees.

The Company answered Intracoastal's complaint on or about January 26, 2024. The Company intends to vigorously defend itself against Intracoastal's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On September 5, 2023, "Sabby" Volatility Warrant Master Fund Ltd. filed a lawsuit against the Company in the federal district court for the Southern District of New York case captioned Sabby Volatility Warrant Master Fund Ltd. v. Jupiter Wellness, Inc., No.1:23-cv-07874-KPF (the "Litigation"). Sabby's initial complaint in the Litigation alleges that the Company's delayed spin-off and distribution of the common stock of "SRM" Entertainment. Inc. give rise to claims of breach-of-contact, promissory estoppel, and negligent misrepresentation. On November 10, 2023, Jupiter sought judicial permission to move to dismiss Sabby's complaint, arguing that Sabby had no legal right to the delayed distribution occurring on the original record date, and that regardless, no law requires the Company to compensate Sabby for the costs of covering its short position against the Company. In response, the Court allowed the parties to bypass that dismissal motion briefing so long as Sabby filed an amended complaint by December 15, 2023.

Sabby seeks compensatory damages estimated to exceed $500,000. The Company has filed a motion to dismiss Sabby's amended complaint and is awaiting the Court's ruling. The Company intends to vigorously defend itself against Sabby's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity. The case was dismissed with prejudice by the federal district court for the Southern District of New York on September 23, 2024. On October 10, 2024, Sabby filed an appeal of the Southern District's dismissal to the United States Court of Appeals for the Second Circuit. The Company is awaiting the decision from the Court of Appeals for the Second Circuit.

On February 9, 2024, "Sabby" Volatility Warrant Master Find Ltd. sued the Company in the federal district court for the Southern District of New York, case captioned, Sabby Volatility Warrant Master Fund Ltd. v. Safety Shot, Inc., No. 1:24-cv-920-NRB (the "Litigation"). Sabby's initial complaint alleges that the Company has improperly refused to honor Sabby's exercise of a Warrant to acquire 2,105,263 shares of common stock. On March 8, 2024, Sabby filed an amended complaint. The Company has answered the amended complaint is due on March 29, 2024. Sabby seeks "liquidated and compensatory damages in an amount to be proven at trial," including compensatory damages "estimated to be at least $750,000," liquidated damages "estimated to be at least $600,000," specific performance, attorneys' fees, expenses and costs. The Company intends to vigorously defend itself against Sabby's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.



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On January 16, 2024, 3i LP ("3i"), filed a lawsuit against the Company in the Supreme Court of the State of New York in the County of New York, case captioned, 3i LP v. Safety Shot, Inc. No. 650196/24 (the "Litigation"). The case stems from the Company's alleged denial of 3i's attempt to exercise certain warrants and states causes of action for actual damages and liquidated damages in an amount of approximately $380,000. The Company filed its answer to the complaint on or about March 7, 2024. The Company intends to defend itself vigorously against Sabby's claims and does not believe that the Litigation's ultimate disposition will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On January 10, 2024, Bigger Capital fund, L.P. ("Bigger"), filed a lawsuit against the Company in the Supreme Court for the State of New York, Case No. 650148/2024 (the "Litigation"). The Litigation stems from the Company's warrant to purchase 1,656,050 shares of Company common stock issued to Bigger Capital on July 20, 2021, and asserts causes of action for Breach of Contract, Specific Performance and Declaratory Relief. The Litigation seeks compensatory damages of $3 million, liquidated damages in an estimated amount of $4 million, specific performance, attorney's fees and declaratory relief. On or about March 4, 2024, the Company filed its answer to Bigger's complaint. The Company intends to defend itself vigorously against Bigger's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On or about January 18, 2024, Alta Partners, LLC, ("Alta") filed a lawsuit against the Company in the federal district court for the Southern District of New York, case captioned, Alta Partners, LLC v. Safety Shot, Inc. No. 24-cv-373 (S.D.N.Y.) (the "Litigation"). The Litigation stems from the Company's warrant to purchase shares of Company common stock

and asserts causes of action for Breach of Contract Breach of the Implied Covenant of Good Faith and Fair Dealing (in the alternative) and violation of Section 11 of the Securities Act of 1933. The Litigation seeks compensatory general and liquidated damages in an amount to be proven at trial. The Company intends to defend itself vigorously against Alta's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.

**Note 15 – Investment in SRM Entertainment, Inc.**

Effective August 14, 2023 the Company spun-off 52% of SRM Entertainment Ltd ("SRM Ltd") formerly a wholly-owned subsidiary, into a public company in exchange for shares of SRM Entertainment Inc. ("SRM Inc") common stock. The fair value of the 4,109,166 shares of common stock SRM Inc. received was $1,521,025. As a result, the Company no longer consolidates SRM Ltd in its financial statements and uses the equity method of accounting for its ownership in SRM Inc. The Company recorded $864,418 as its share of SRM losses from the date of separation to December 31, 2023.

During the nine months ended September 30, 2024, the Company sold 350,000 shares of its holdings in SRM Inc common stock for $490,000 resulting in a gain of $432,548 and transferred 150,000 shares of SRM Inc's common stock to a convertible promissory Note Holder valued at $189,000 as consideration for extending the maturity date of the Note. As of September 30, 2024, the Company holds 3,436,005 shares of SRM Inc's common share.

Summary of Changes to Equity Method Investment

| | | |
|---|---|---|
| Fair value of Consideration | $ | 1,521,025 |
| Equity in SRM Inc losses | | (864,418) |
| Investment in SRM Inc Balance at December 31, 2023 | $ | 657,183 |
| | | |
| Basis in the 350,000 shares of SRM Inc sold | | (58,028) |
| Equity in SRM Inc losses * | | (599,155) |
| Investment in SRM Inc Balance at September 30, 2024 | $ | - |

*Total portion of SRM Inc's for the nine months ended September 30, 2024 was $948,989. The Company has a limitation of $599,155 on the amount of losses it can record (balance cannot be less than zero).

**Note 16 - Subsequent Events**

Subsequent to September 30, 2024, the Company issued a total of 1,655,803 shares of its common stock consisting of: (i) 1,655,803 shares included in Common Stock Payable; (ii) 0 shares issued for a warrant exercise: and (iii) 0 shares issued at market price in a private placement for $0.

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to September 30, 2024, to the date these financial statements were issued and has determined that it does not have any additional material subsequent events to disclose in these financial statements.



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**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

FORWARD LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report and unless otherwise indicated, the terms "we", "us", "our", "SHOT" and the "Company" mean Safety Shot, Inc.

**General Overview**

Sure Shot Inc. (NASDAQ: SHOT) was formerly known as Jupiter Wellness Inc. In August 2023, the Company successfully completed the asset purchase of the dietary supplement product Sure Shot from GBB Drink Lab, Inc. ("GBB"), thereby gaining ownership of various assets, including the intellectual property, trade secrets, and trademarks associated with its dietary supplement Sure Shot (the "Sure Shot Dietary Supplement"). Concurrently with the asset purchase, the Company changed its name to Sure Shot, Inc. and changed its NASDAQ trading symbol to SHOT. The Company launched its e-commerce sale of the Sure Shot Dietary Supplement in December 2023.

The Sure Shot Dietary Supplement has been formulated to reduce the accumulation of blood alcohol content by supporting its metabolism. Noteworthy is the fact that the Sure Shot Dietary Supplement comprises 28 active ingredients, all falling under the Generally Regarded As Safe (GRAS) category. Under sections 201(s) and 409 of the Federal Food, Drug, and Cosmetic Act (the Act),any substance that is intentionally added to food is a dietary supplement, that is subject to premarket review and approval by FDA, unless the substance is generally recognized, among qualified experts, as having been adequately shown to be safe under the conditions of its intended use, or unless the use of the substance is otherwise excepted from the definition of a dietary supplement.

It's crucial to note that the Sure Dietary Supplement is currently manufactured in a facility adhering to Good Manufacturing Practices (GMP), ensuring the highest standards of quality and safety throughout its production process. The Company currently maintains a workforce comprising eight full-time employees of its own.

***Products Roadmap***

The Sure Shot Dietary Supplement was launched on our own website and through Amazon in December 2023 and with several Big Box stores. The Company is advancing several product formats and formulations to continue to offer a wide array of products that can be purchased at various locations that coincide with consumer shopping habits. In particular, the Company plans to continue to develop new flavors for each of its current SKUs (4 oz. and "Powder Pack"). In addition, the current formula will be offered at various dosages and research studies will be carried out addressing dose, ingredient selection and efficacy across multiple indications to help bolster product development and product offerings.



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***Research and Development***

Our research and development team in continually looking to develop new therapeutic products, while continually improving and enhancing our existing products and product candidates to address customer demands and emerging trends.

We have conducted extensive research and experimentation involving a substantial number of volunteers under the influence of intoxicants. Our findings indicate that the Sure Shot Dietary Supplement can reduce a person's Blood Alcohol Content ("BAC") by supporting its metabolism, as measured by the premier Breathalyzer in the market. We have recently completed our clinical trials of the Sure Shot Dietary Supplement which have shown a statistically significant reduction in the BAC of the participants. The observable enhancements in cognitive abilities among the test subjects have been carefully documented. See "Business-Research and Development."

***Sales and Marketing***

The first 3 quarters since Sure Shot was launched was our opportunity to test, learn, iterate, and evolve our branding and product. This period has helped us to better understand our target consumers, what they want, and how we can better meet their needs.

As we have gathered these learnings, we have gained valuable insights that have allowed us to shape our strategy for sustainable long-term growth and success. One of these learnings was that our 12oz package was not the best fit for our consumer's needs. The reason for this is the 12oz was too much liquid for consumers to drink while they were drinking. The 12oz was also not portable so consumers weren't able to take it with them on a night out. We also learned that branding was a more scientific lean and may not have popped off the shelf and enticed new shoppers to buy. We also learned that our taste was not good and was causing some resistance with consumers, so we knew this is something that must be addressed. Lastly, shipping a 12oz can product is very heavy thus our shipping costs are quite high, reducing our overall margins. Because of these reasons, we made the decision to do a brand refresh as well as transition into a 4oz product and powder packs. This transitional period occurred during Q3 as we felt this was the best time to make the change as we head into a big 2025 year. Rather than continue selling the old branding and 12oz that was going to be discontinued, we shifted our sales efforts to focus on selling the new branding and 4oz and powder pack formats. These factors resulted in us having a Q3 period where sales were down, as we geared up to launch the new branding.

***Manufacturing, Logistics and Fulfillment***

We outsource the manufacturing of our products to contract manufacturers, who produce them according to our formulation specifications. Our products are manufactured by contract manufacturers in India and the US. The majority of our products will then be shipped to third-party warehouses and to our corporate offices, which can either transport them to our distributors, retailers, or directly to our customers. Our third-party warehouses are located in the US. We use a limited number of logistics providers to deliver our products to both distributors and retailers, which allows us to lessen order fulfillment time, cut shipping costs, and improve inventory flexibility. Shifting from 12oz cans to 4oz shot has moved our current production to a facility located in Northern Louisiana. We chose a central location to help reduce the cost of shipping to our warehouses and facilitate a more seamless approach to logistics. We are now in the process of more frequent production runs of smaller size. This approach will ensure that our production volume and timeline of our finished goods match the sell in and sell through (turn rate) of our distribution and retail partners. We have aligned with distribution groups that service both larger retailers as well as the smaller convenience stores for Q4 and beyond. Current individual website sales fulfilment has continued, and we are aligning with more distribution partners and specific fulfilment groups as we continue to increase our sales.

***Our Competitive Strengths***

We are committed to driving continuous improvement through innovation. Since our inception, we have made significant investments in research and development and have acquired a substantial portfolio of intellectual property, which continues to grow each year. Our commitment to innovation has allowed us to create unique products that address unmet needs in the market, all backed by rigorous clinical research. We believe that our focus on research and development is designed to enable us to stay ahead of the curve and provide our customers with products that are not only effective but also innovative. We take pride in our patent portfolio and the continuous growth we have achieved, as we believe that it showcases our dedication to creating new and unique solutions for our customers. By staying committed to innovation, we are confident in our ability to meet the ever-changing needs of the health and wellness market. We believe that the Sure Shot Dietary Supplement stands as a unique product in the liquid dietary supplement market. Nevertheless, our competitive landscape includes many companies involved in the production of health and welfare products.

**Recent Developments**

On January 19, 2023, the Company entered into a Securities Purchase Agreement (the "PIPE Agreement") with certain purchasers, for the issuance of 8,631,574 common stock warrants (the "PIPE Offering") at a price of $0.125 per warrant, comprised of two common stock warrants (the "Common Warrants,"), each to purchase up to one share of Common Stock per Common Warrant with an exercise price of $1.00 per share , with (a) 4,315,787 Common Warrants being immediately exercisable for three years following 6 months from the closing of the PIPE Offering, and (b) 4,315,787 Common Warrants being immediately exercisable for five years following 6 months from the closing of the PIPE Offering. Concurrently to the PIPE Agreement, the Company entered into a Securities Purchase Agreement (the "RD Agreement") with certain purchasers, pursuant to which on January 23, 2023, 4,315,787 shares of common stock, par value $0.001 (the "Common Stock"), at a price of $0.70 per share were issued to the purchasers (the "RD Offering"). The Common Stock was issued pursuant to a Registration Statement on Form S-3 filed by the Company with the Securities and Exchange Commission (the "Commission") on September 28, 2022 (File No. 333-267644) and declared effective on November 9,2022. The aggregate gross proceeds to the Company from both the PIPE Offering and the RD Offering were approximately $4.1 million, with the purchase price of one share, one 3-year warrant and one 5-year warrant as $0.95. The net proceeds were $3,450,675.



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On July 10, 2023, the Company entered into an asset purchase agreement (the "Agreement") with GBB Labs, Inc., a Delaware corporation set up as an acquisition company ("Buyer"), GBB Drink Lab Inc., a Florida corporation ("Seller"), 2V Consulting LLC, a Florida limited liability company, the Jarrett A Boon Revocable Trust Dated October 22, 2014, Gregory D. Blackman, an individual and Brothers Investment 7777, LLC. Pursuant to the Agreement, the Buyer purchased certain assets relating to the Safety Shot Dietary Supplement for a consideration comprising of: (a) the sum of Two Hundred Thousand U.S. Dollars (US $200,000) (the "Cash Purchase Price"); and (b) 5,000,000 Common Shares (the "Consideration Shares" and together with the Cash Purchase Price, collectively, the "Purchase Price"). The asset purchase was closed on August 31, 2023.

**Intellectual Property**

In connection with the asset purchase describe above, the Company owns five patents, including the patent (US 9,186,350 B2)and patent (US 10,028,991 B2) for the composition of the Sure Shot Dietary Supplement used for minimizing the harmful effects associated with alcohol consumption by supporting the metabolism of alcohol.

**Government Regulation**

***The Sure Shot Dietary Supplement:***

The production, distribution and sale in the United States of the Sure Shot Dietary Supplement is subject to various U.S. federal, state and local regulations, including but not limited to: the Federal Food, Drug and Cosmetic Act ("FD&C Act"); the Occupational Safety and Health Act and various state laws and regulations governing workplace health and safety; various environmental statutes; the Safe Drinking Water and Toxic Enforcement Act of 1986 ("California Proposition 65"); data privacy and personal data protection laws and regulations, including the California Consumer Privacy Act of 2018 (as modified by the California Privacy Rights Act) and a number of other federal, state and local statutes and regulations applicable to the production, transportation, sale, safety, advertising, marketing, labeling, packaging, and ingredients of the Sure Shot Dietary Supplement.

We also may in the future be affected by other existing, proposed and potential future regulations or regulatory actions, including those described below, any of which could adversely affect our business, financial condition and results of operations.

Furthermore, legislation and regulation may be introduced in the United States at the federal, state, municipal and supranational level in respect of each of the subject areas discussed below. Public health officials and health advocates are increasingly focused on the public health consequences associated with obesity and alcohol consumption, especially as they may affect children, and are seeking legislative change to reduce the consumption of sweetened and alcohol beverages.

We are subject to a number of regulations applicable to the formulation, labeling, packaging, and advertising (including promotional campaigns) of our products. In California, we are subject to California Proposition 65, a law which requires that a specified warning be provided before exposing California consumers to any product that contains in excess of threshold amounts of a substance listed by California as having been found to cause cancer or reproductive toxicity. California Proposition 65 does not require a warning if the manufacturer of a product can demonstrate that the use of the product in question exposes consumers to an average daily quantity of a listed substance that is below that threshold amount, which is determined either by scientific criteria set forth inapplicable regulations or via a "safe harbor" threshold that may be established by the state, or the substance is naturally occurring, or is subject to another applicable exception. As of the date of this registration statement, we are not required to put a warning label on our product and our products are perfluoroalkyl and polyfluoroalkyl substances ("PFAS") free. We are unable to predict whether a component found in our product might be added to the California list in the future. Furthermore, we are also unable to predict when or whether the increasing sensitivity of detection methodology may become applicable under this law and related regulations as they currently exist, or as they may be amended. If we are required to add warning labels to any of our products or place warnings in certain locations where our products are sold, it will be difficult to predict whether, or to what extent, such a warning would have an adverse impact on sales of our products in those locations or elsewhere. In addition, there has been increasing regulatory activity globally regarding constituents in packaging materials, including PFAS. Regardless of whether perceived health consequences of these constituents are justified, such regulatory activity could result in additional government regulations that impact the packaging of our beverages.

In addition, the U.S. Food and Drug Administration (the "FDA") has regulations with respect to serving size information and nutrition labeling on food and beverage products, including a requirement to disclose the amount of added sugars in such products. Further, the U.S. Department of Agriculture promulgated regulations requiring that, by January 1, 2022, the labels of certain bioengineered foods include a disclosure that the food is bioengineered. These regulations may impact, reduce and/or otherwise affect the purchase and consumption of our products by consumers.

All ingredients in the Sure Shot Dietary Supplement are deemed Generally Recognized as Safe ("GRAS") and align with FDA standards, permitting their inclusion in supplements. In the event that the FDA or any governmental agency identifies an ingredient or aspect of our product as unsafe, we commit to promptly withdrawing that component in accordance with regulatory directives. From a product and sales perspective, there are no impediments or concerns raised by any governmental agency. It is essential to note that the Safety Shot Dietary Supplement is classified as a dietary supplement, exempt from the approval or filing requirements mandated for pharmaceutical drugs by the FDA or other regulatory authorities.



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**Basis of Presentation**

The accompanying consolidated financial statements are presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of US Securities and Exchange Commission ("SEC"). The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Caring Brands, Inc., a Florida corporation, Jupiter Wellness Investments, Inc., a Florida corporation, All intercompany accounts and transactions have been eliminated.

**Equity Method for Investments**

Investments in unconsolidated affiliates, which the Company exerts significant influence but does not control or otherwise consolidate, are accounted for using the equity method. Equity method investments are initially recorded at cost. These investments are included in investment in joint ventures in the accompanying consolidated balance sheets. The Company's share of the profits and losses from these investments is reported in loss from equity method joint venture in the accompanying consolidated statements of operations. The Company monitors its investments for other-than-temporary impairment by considering factors such as current economic and market conditions and the operating performance of the investees and records reductions in carrying values when necessary.

**Asset Purchases**

The Company accounts for an acquisitive transaction determined to be an asset purchase based on the cost accumulation and allocation method, under which the costs to purchase the asset or set of assets are allocated to the assets acquired. No goodwill is recorded in connection with an asset purchase.

**Investments in Marketable Securities**

The Company's Marketable Securities are considered Held-For-Trading ("HFT") or Trading Assets. HTF- Trading securities are valued at their fair value when purchased/sold, and any unrealized gains or losses are recorded periodically on financial reporting dates as other income or loss.

**Emerging Growth Company Status**

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible

because of the potential differences in accounting standards used.

**Significant Accounting Policies and Estimates**

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited financial statements for the nine months ended September 30, 2024 and 2023 and audited financial statements for the year ended December 31, 2023, which have been prepared in accordance with United States generally accepted accounting principles, or U.S. GAAP, and the rules and regulations of the Securities and Exchange Commission. The preparation of the financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported revenue generated, and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

**Cash and Cash Equivalents**

The Company considers all short-term investments with a maturity of three months or less when purchased to be cash and equivalents for purposes of the statement of cash flows. There were no cash equivalents as of September 30, 2024 or December 31, 2023.



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**Net Loss per Common Share**

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants, convertible securities and preferred stock, unless the effect is to reduce a loss or increase earnings per share. As such, options, warrants, convertible securities and preferred stock are not considered in the calculations, as the impact of the potential common shares would be to decrease the loss per share.

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Numerator:** | | | | |
| **Net (loss)** | (11,929,277) | (7,738,301) | (35,878,043) | (9,406,066) |
| | - | - | | |
| **Denominator:** | - | - | | |
| Denominator for basic earnings per share - Weighted-average common shares issued and outstanding during the period | 55,930,639 | 29,836,485 | 51,713,368 | 27,370,658 |
| Denominator for diluted earnings per share | 55,930,639 | 29,836,485 | 51,713,368 | 27,370,658 |
| Basic (loss) per share | (0.21) | (0.26) | (0.69) | (0.34) |
| Diluted (loss) per share | (0.21) | (0.26) | (0.69) | (0.34) |

**Revenue Recognition**

The Company generates its revenue from the sale of its products directly to the end user or distributor (collectively the "customer").

The Company recognizes revenues by applying the following steps in accordance with FASB Accounting Standards Codification 606 "Revenue from Contracts with Customers" ("ASC 606"). Under ASC 606, revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

The Company's performance obligations are satisfied when goods or products are shipped on an FOB shipping point basis as title passes when shipped. Our product is generally paid in advance of shipment or standard net 30 days and we offer no specific right of return, refund or warranty related to our products except for cases of defective products of which there have been none to date.

**Accounts Receivable and Credit Risk**

Accounts receivable are generated from sales of the Company's products. The Company provides an allowance for doubtful collections, which is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. As of September 30, 2024 and December 31, 2023, the Company had not recognized an allowance for doubtful collections.

**Inventory**

Inventories are stated at the lower of cost or market. The Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of market conditions. Write-downs and write-offs are charged to cost of goods sold. Inventory is based upon the average cost method of accounting.

**Fair Value of Financial Instruments**

The fair value of our assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the accompanying balance sheet, primarily due to their short-term nature.

**Income Taxes**

We account for income taxes under ASC 740 Income Taxes ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statement and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim period, disclosure and transition. Based on our evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in our financial statements. Since we were incorporated on October 24, 2018, the evaluation was performed for 2018 tax year, which would be the only period subject to examination. We believe that our income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in a material changes to our financial position. Our policy for recording interest and penalties associated with audits is to record such items as a component of income tax expense.

The Company's deferred tax asset at December 31, 2023 consists of net operating loss carry forwards calculated using federal and state effective tax rates equating to approximately $8,658,484 less a valuation allowance in the amount of approximately $8,658,484. Due to the Company's lack of earnings history, the deferred tax asset has been fully offset by a valuation allowance in the year ended December 31, 2023.

**Research and Development**

The Company accounts for research and development costs in accordance with the Accounting Standards Codification subtopic 730-10, Research and Development ("ASC 730-10"). Under ASC 730-10, all research and development costs must be charged to expense as incurred. Accordingly, internal research and development costs are expensed as incurred. Third-party research and developments costs are expensed when the contracted work has been performed or as milestone results have been achieved. Company-sponsored research and development costs related to both present and future products are expensed in the period incurred. The Company incurred research and development expenses of $271,719 and $98,091.24 for the nine months ended September 30, 2024 and 2023, respectively.

**Stock Based Compensation**

We recognize compensation costs to employees under FASB Accounting Standards Codification 718 "Compensation - Stock Compensation" ("ASC 718"). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

On October 24, 2018, the inception date ("Inception"), we adopted ASU No. 2018-07 "Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting." These amendments expand the scope of Topic 718, Compensation - Stock Compensation (which currently only includes share-based payments to employees) to include share-based payments issued to nonemployees for goods or services. Consequently, the accounting for share-based payments to nonemployees and employees will be substantially aligned.

**Related parties**

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The consolidated financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.





**Recent Accounting Pronouncements**

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on our financial statements.

**Results of Operations**

***For the three months ended September 30, 2024 and 2023***

The following table provides selected financial data about us for the three months ended September 30, 2024 and 2023, respectively.

| | September 30, 2024 | September 30, 2023 |
|---|---|---|
| Sales | $ 110,213 | $ 11,877 |
| Cost of Sales | 402,399 | 46,438 |
| Gross Profit (Loss) | (292,186) | (34,561) |
| Total operating expenses | 11,348,320 | 4,090,608 |
| Other income (expense) | 10,413 | (3,152,437) |
| Net loss from operations | $ (11,630,093) | $ (7,277,606) |
| Loss from discontinued operations | (299,184) | (460,695) |

| | | |
|---|---|---|
| Net loss | $ (11,929,277) | $ (7,738,301) |

Revenues

We generated $110,213 in revenues for the three months ended September 30, 2024 compared to $11,877 revenues in the three months ended September 30, 2023.

Operating Expenses and Other Income (Expense)

We had total operating expenses of $11,348,320 and other income of $10,413, of other expenses for the three months ended September 30, 2024 compared to $4,090,608 and $3,152,437 of other expenses for the three months ended September 30, 2023.

Operating expenses for the three months ended September 30, 2024 were in connection with our daily operations as follows: (i) marketing expenses of $2,186,808; (ii) research and development of $10,315; (iii) legal and professional expenses of $2,586,915, consisting of corporate advisory services, annual report preparation fees and general corporate governance fees; (iv) rent and utilities of $93,357; (v) depreciation and amortization of $109,033; (vi) general and administrative expenses of $995,872, consisting of payroll and related taxes, travel, meals and entertainment, office supplies and expense, compensation related to management transition agreements and other normal office and administration expenses; and (vii) stock based compensation of $5,366,021. Other income for the three months ended September 30, 2024 consisted of net interest expense of $57,919 and realized gain on sale of stock of $68,333

Operating expenses for the three months ended September 30, 2023 were in connection with our daily operations as follows: (i) marketing expenses of $170,633; (ii) research and development of $61,163; (iii) legal and professional expenses of $1,613,981, consisting of corporate advisory services, annual report preparation fees and general corporate governance fees; (iv) rent and utilities of $59,563; (v) depreciation and amortization of $67,355; (vi) general and administrative expenses of $872,884, consisting of payroll and related taxes, travel, meals and entertainment, office supplies and expense, compensation related to management transition agreements and other normal office and administration expenses; and (vii) stock based compensation of $1,245,029. Other income for the three months ended September 30, 2023 consisted of net interest income of $1,340, unrecognized loss on equity investments of $726,884, and other expenses of $2,426,893.

On September 24, 2024, the Company signed a separation agreement with Caring Brands, Inc. Caring Brands, Inc. is no longer a subsidiary of the Company, all operations performed under the Caring Brands product line are considered discontinued operations and no longer reported the Company's financials.

Income/Losses

Net losses were $11,929,277 and $7,738,301 for the three months ended September 30, 2024 and 2023, respectively.



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***For the nine months ended September 30, 2024 and 2023***

The following table provides selected financial data about us for the nine months ended September 30, 2024 and 2023, respectively.

| | September 30, 2024 | September 30, 2023 |
|---|---|---|
| Sales | $ 519,793 | $ 69,968 |
| Cost of Sales | 2,549,099 | 97,977 |
| Gross Profit (Loss) | (2,029,306) | (28,009) |
| Total operating expenses | 32,923,489 | 7,040,858 |
| Other income (expense) | (626,062) | (2,075,671) |
| Net loss from operations | $ (35,578,858) | $ (9,144,538) |
| Loss from discontinued operations | (299,184) | (261,528) |
| Net loss | $ (35,878,042) | $ (9,406,066) |

Revenues

We generated $519,793 in revenues for the nine months ended September 30, 2024 compared to $69,968 revenues in the nine months ended September 30, 2023. The increase is due to the launch of the Safety Shot Dietary Supplement in December 2023. Cost of goods sold increased due to the rebranding costs associated with the launch of the Sure Shot Dietary Supplement.

Operating Expenses and Other Income (Expense)

We had total operating expenses of $32,923,489 for the nine months ended September 30, 2024 compared to $7,040,858 for the nine months ended September 30, 2023.

Operating expenses for the nine months ended September 30, 2024 were in connection with our daily operations as follows: (i) marketing expenses of $6,230,903; (ii) research and development of $271,719; (iii) legal and professional expenses of 6,839,639, consisting of corporate advisory services, annual report preparation fees and general corporate governance fees; (iv) rent and utilities of 313,598; (v) depreciation and amortization of $318,035; (vi) general and administrative expenses of $2,537,927, consisting of payroll and related taxes, travel, meals and entertainment, office supplies and expense, compensation related to management transition agreements and other normal office and administration expenses; and (vii) stock based compensation of $16,411,690.

(i) For marketing we have a 360-degree marketing approach that includes digital and retail activations, social media, radio and televised events. (iii) For legal and professional fees consist of corporate advisory services, annual report preparation fees, corporate governance fees, and six litigation matters that are referenced in the "Legal Proceedings" section. (vii) Stock based compensation consists of employees, consultants, board members, influencers, and advisors.

Other income/expense for the nine months ended September 30, 2024, included: (i) interest income of $40,699; (ii) interest expense of $252,108; (iii) recognized gain on sale of stock of $231,159 and (iv) net loss on sale of marketable securities of $46,658 and other expenses of $599,155.

Operating expenses for the nine months ended September 30, 2023 were in connection with our daily operations as follows: (i) marketing expenses of $206,047; (ii) research and development of $98,091; (iii) legal and professional expenses of $2,563,047, consisting of corporate advisory services, annual report preparation fees and general corporate governance fees; (iv) rent and utilities of $156,870; (v) depreciation and amortization of $110,674; and (vi) general and administrative expenses of $2,441,100, consisting of payroll and related taxes, travel, meals and entertainment, office supplies and expense, compensation related to management transition agreements and other normal office and administration expenses; and (vii) stock based compensation of $1,465,029.

The Company had a loss from discontinued operations of $299,184 and $261,528 for the nine months ended September 30, 2024 and September 30, 2023 respectively.

Other expense for the nine months ended September 30, 2023 included: (i) interest income of $56,802; (ii) interest expense of $168,869; (iii) unrecognized loss on equity investments of $726,884; and (iv) other expenses of $1,236,720. For more information on marketable securities for 2023 see Note 6 - Marketable Securities included in the financial statements.

Income/Losses

Net losses were $35,878,042 and $9,406,066 for the nine months ended September 30, 2024 and 2023, respectively.



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**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As a "smaller reporting company", we are not required to provide the information required by this Item.

**Item 4. Controls and Procedures**

*Evaluation of Disclosure Controls and Procedures*

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time communicated to the Company's management, including its Chief Executive Officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 13a-15(e). The Company's disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching the Company's desired disclosure control objectives. In designing periods specified in the SEC's rules and forms, and that such information is accumulated and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The Company's certifying officers have concluded that the Company's disclosure controls and procedures are effective in reaching that level of assurance.

At the end of the period being reported upon, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on the foregoing, our Chief Executive Officer and principal financial officer concluded that our disclosure controls and procedures were ineffective to ensure that the material information required to be included in our Securities and Exchange Commission reports is accumulated and communicated to our management, including our principal executive and financial officer, recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms relating to the Company, based on the assessment and control of disclosure decisions currently performed by a small team. The Company plans to expand its management team and build a fulsome internal control framework required by a more complex entity.

*Changes in Internal Control Over Financial Reporting*

During the past nine months and previous fiscal year, we implemented significant measures to remediate the previously disclosed ineffectiveness of our internal control over financial reporting, which included an insufficient degree of segregation of duties amongst our accounting and financial reporting personnel, and the lack of a formalized and complete set of policy and procedure documentation evidencing our system of internal controls over financial reporting. The remediation measures consisted of the hiring of individuals with appropriate experience in internal controls over financial reporting, and the modification of our accounting processes and enhancement to our financial controls, including the testing of such controls.

Other than as described above, there was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) under the Exchange Act) identified in connection with the evaluation required by Rules 13a-15(d) or 15d-15(d) that occurred during the nine months ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

*Limitations on the Effectiveness of Controls*

Management has confidence in its internal controls and procedures. The Company's management believes that a control system, no matter how well designed and operated can provide only reasonable assurance and cannot provide absolute assurance that the objectives of the internal control system are met, and no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Further, the design of an internal control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitation in all internal control systems, no evaluation of controls can provide absolute assurance that all control issuers and instances of fraud, if any, within the Company have been detected.



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**PART II - OTHER INFORMATION**

**Item 1. Legal Proceedings**

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.

On November 30, 2023, Intracoastal Capital, LLC ("Intracoastal") filed a lawsuit against the Company in the New York County Supreme Court, alleging that (i) the Company is in breach of a common stock warrant issued to Intracoastal on or about July 26, 2021, and (ii) that the Company should be ordered by the court to deliver to Intracoastal 330,619 free trading shares of Company common stock (the "Litigation"). The Litigation seeks compensatory damages in an amount no less than $2 million, in addition to liquidated damages and attorney's fees.

The Company answered Intracoastal's complaint on or about January 26, 2024. The Company intends to vigorously defend itself against Intracoastal's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On September 5, 2023, "Sabby" Volatility Warrant Master Fund Ltd. filed a lawsuit against the Company in the federal district court for the Southern District of New York case captioned Sabby Volatility Warrant Master Fund Ltd. v. Jupiter Wellness, Inc., No.1:23-cv-07874-KPF (the "Litigation"). Sabby's initial complaint in the Litigation alleges that the Company's delayed spin-off and distribution of the common stock of "SRM" Entertainment. Inc. give rise to claims of breach-of-contact, promissory estoppel, and negligent misrepresentation.

On November 10, 2023, Jupiter sought judicial permission to move to dismiss Sabby's complaint, arguing that Sabby had no legal right to the delayed distribution occurring on the original record date, and that regardless, no law requires the Company to compensate Sabby for the costs of covering its short position against the Company. In response, the Court allowed the parties to bypass that dismissal motion briefing so long as Sabby filed an amended complaint by December 15, 2023.

Sabby seeks compensatory damages estimated to exceed $500,000. The Company has filed a motion to dismiss Sabby's amended complaint and is awaiting the Court's ruling. The Company intends to vigorously defend itself against Sabby's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material

adverse effect on the Company's financial position, results of operations or liquidity. The case was dismissed with prejudice by the federal district court for the Southern District of New York on September 23, 2024. On October 10, 2024, Sabby filed an appeal of the Southern District's dismissal to the United States Court of Appeals for the Second Circuit. The Company is awaiting the decision from the Court of Appeals for the Second Circuit.

On February 9, 2024, "Sabby" Volatility Warrant Master Find Ltd. sued the Company in the federal district court for the Southern District of New York, case captioned, Sabby Volatility Warrant Master Fund Ltd. v. Safety Shot, Inc., No. 1:24-cv-920-NRB (the "Litigation"). Sabby's initial complaint alleges that the Company has improperly refused to honor Sabby's exercise of a Warrant to acquire 2,105,263 shares of common stock. On March 8, 2024, Sabby filed an amended complaint. The Company has answered the amended complaint. Sabby seeks "liquidated and compensatory damages in an amount to be proven at trial," including compensatory damages "estimated to be at least $750,000," liquidated damages "estimated to be at least $600,000," specific performance, attorneys' fees, expenses and costs. The Company intends to vigorously defend itself against Sabby's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On January 16, 2024, 3i LP ("3i"), filed a lawsuit against the Company in the Supreme Court of the State of New York in the County of New York, case captioned, 3i LP v. Safety Shot, Inc. No. 650196/24 (the "Litigation"). The case stems from the Company's alleged denial of 3i's attempt to exercise certain warrants and states causes of action for actual damages and liquidated damages in an amount of approximately $380,000. The Company filed its answer to the complaint on or about March 7, 2024. The Company intends to defend itself vigorously against Sabby's claims and does not believe that the Litigation's ultimate disposition will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On January 10, 2024, Bigger Capital fund, L.P. ("Bigger"), filed a lawsuit against the Company in the Supreme Court for the State of New York, Case No. 650148/2024 (the "Litigation"). The Litigation stems from the Company's warrant to purchase 1,656,050 shares of Company common stock issued to Bigger Capital on July 20, 2021, and asserts causes of action for Breach of Contract, Specific Performance and Declaratory Relief. The Litigation seeks compensatory damages of $3 million, liquidated damages in an estimated amount of $4 million, specific performance, attorney's fees and declaratory relief. On or about March 4, 2024, the Company filed its answer to Bigger's complaint. The Company intends to defend itself vigorously against Bigger's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

On or about January 18, 2024, Alta Partners, LLC, ("Alta") filed a lawsuit against the Company in the federal district court for the Southern District of New York, case captioned, Alta Partners, LLC v. Safety Shot, Inc. No. 24-cv-373 (S.D.N.Y.) (the "Litigation"). The Litigation stems from the Company's warrant to purchase shares of Company common stock and asserts causes of action for Breach of Contract Breach of the Implied Covenant of Good Faith and Fair Dealing (in the alternative) and violation of Section 11 of the Securities Act of 1933. The Litigation seeks compensatory general and liquidated damages in an amount to be proven at trial. The Company intends to defend itself vigorously against Alta's claims and does not believe that the Litigation's ultimate disposition or resolution will have a material adverse effect on the Company's financial position, results of operations or liquidity.

The Company may be subject to legal proceedings and claims arising from contracts or other matters from time to time in the ordinary course of business. Management is not aware of any pending or threatened litigation where the ultimate disposition or resolution could have a material adverse effect on its financial position, results of operations or liquidity.



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**Item 1A. Risk Factors**

**Risks Related to Our Business**

***If we are unable to keep up with rapid technological changes, our products may become obsolete.***

The market for our products is characterized by significant and rapid change. Although we will continue to expand our product line capabilities to remain competitive, research and discoveries by others may make our processes, products, or brands less attractive or even obsolete.

***Competition could adversely affect our business.***

Our industry in general is competitive. It is possible that future competitors could enter our market, thereby causing us to lose market share and revenues. In addition, some of our current or future competitors may have significantly greater financial, technical, marketing, and other resources than we do or may have more experience or advantages in the markets in which we will compete that will allow them to offer lower prices or higher quality products. If we do not successfully compete with these competitors, we could fail to develop market share and our future business prospects could be adversely affected.

***If we are unable to develop and maintain our brand and reputation for our product offerings, our business and prospects could be materially harmed.***

Our business and prospects depend, in part, on developing and then maintaining and strengthening our brand and reputation in the markets we serve. If problems with our products cause our customers to have a negative experience or failure or delay in the delivery of our products to our customers, our brand and reputation could be diminished. If we fail to develop, promote and maintain our brand and reputation successfully, our business and prospects could be materially harmed.

***We are subject to government regulation, and unfavorable changes could substantially harm our business and results of operations.***

We are subject to general business regulations and laws as well as regulations and laws specifically governing our industries in the U.S. and other countries in which we operate. Uncertainty surrounding existing and future laws and regulations may impede our services and increase the cost of providing such services. These regulations and laws may cover taxation, tariffs, user pricing, distribution, consumer protection and the characteristics and quality of services.

***We depend heavily on key personnel, and turnover of key senior management could harm our business.***

Our future business and results of operations depend in significant part upon the continued contributions of our senior management personnel. If we lose their services or if they fail to perform in their current positions, or if we are not able to attract and retain skilled personnel as needed, our business could suffer. Significant turnover in our senior management could significantly deplete our institutional knowledge held by our existing senior management team. We depend on the skills and abilities of these key personnel in managing the product acquisition, marketing and sales aspects of our business, any part of which could be harmed by turnover in the future. We may not have written employment agreements with all of our senior management. We do not have any key person insurance.

***Our products may not meet health and safety standards or could become contaminated.***

We do not have control over all of the third parties involved in the manufacturing of our products and their compliance with government health and safety standards. Even if our products meet these standards, they could otherwise become contaminated. A failure to meet these standards or contamination could occur in our operations or those of our manufacturers, distributors or suppliers. This could result in expensive production interruptions, recalls and liability claims. Moreover, negative publicity could be generated from false, unfounded or nominal liability claims or limited recalls. Any of these failures or occurrences could negatively affect our business and financial performance.

***The sale of our products involves product liability and related risks that could expose us to significant insurance and loss expenses.***

We face an inherent risk of exposure to product liability claims if the use of our products results in, or is believed to have resulted in, illness or injury. Our products contain combinations of ingredients, and there is little long-term experience with the effect of these combinations. In addition, interactions of these products with other products, prescription medicines and over-the-counter treatments have not been fully explored or understood and may have unintended consequences.

Any product liability claim may increase our costs and adversely affect our revenue and operating income. Moreover, liability claims arising from a serious adverse event may increase our costs through higher insurance premiums and deductibles and may make it more difficult to secure adequate insurance coverage in the future. In addition, our product liability insurance may fail to cover future product liability claims, which, if adversely determined, could subject us to substantial monetary damages.

***The success of our business will depend upon our ability to create and expand our brand awareness.***

The markets we compete in, including the wellness and dietary supplement market, we intend to compete in, are highly competitive, with many well-known brands leading the industry. Our ability to compete effectively and generate revenue will be based upon our ability to create and expand awareness of our products distinct from those of our competitors. It is imperative that we are able to convey to consumers the benefits of our products. However, advertising and packaging and labeling of such products will be limited by various regulations. Our success will be dependent upon our ability to convey to consumers that our products are superior to those of our competitors.



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***We must develop and introduce new products to succeed.***

Our industry is subject to rapid change. New products are constantly introduced to the market. Our ability to remain competitive depends in part on our ability to enhance existing products, to develop and manufacture new products in a timely and cost-effective manner, to accurately predict market transitions, and to effectively market our products. Our future financial results will depend to a great extent on the successful introduction of several new products. We cannot be certain that we will be successful in selecting, developing, manufacturing and marketing new products or in enhancing existing products.

- The success of new product introductions depends on various factors, including, without limitation, the following: Successful sales and marketing efforts;
- Timely delivery of new products;
- Availability of raw materials;
- Pricing of raw materials;
- Regulatory allowance of the products; and
- Customer acceptance of new products

***Adverse publicity associated with our products or ingredients, or those of similar companies, could adversely affect our sales and revenue.***

Adverse publicity concerning any actual or purported failure by us to comply with applicable laws and regulations regarding any aspect of our business could have an adverse effect on the public perception of us. This, in turn, could negatively affect our ability to obtain financing, endorsers and attract distributors or retailers for our products, which would have a material adverse effect on our ability to generate sales and revenue.

Our distributors' and customers' perception of the safety and quality of our products or even similar products distributed by others can be significantly influenced by national media attention, publicized scientific research or findings, product liability claims and other publicity concerning our products or similar products distributed by others. Adverse publicity, whether or not accurate, that associates consumption of our products or any similar products with illness or other adverse effects, will likely diminish the public's perception of our products. Claims that any products are ineffective, inappropriately labeled or have inaccurate instructions as to their use, could have a material adverse effect on the market demand for our products, including reducing our sales and revenue.

***If serious adverse or undesirable side effects are identified during the development of our product candidates, we may abandon or limit our development or commercialization of such product candidates.***

If our product candidates are associated with undesirable side effects or have unexpected characteristics, we may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

If we elect or are forced to suspend or terminate any clinical trial with one of our product candidates, the commercial prospects of such product candidate will be harmed, and our ability to generate revenue from such product candidate will be delayed or eliminated. Any of these occurrences may harm our business, financial condition and prospects significantly.

***If we experience delays or difficulties in the enrollment of subjects to our clinical trials, our ability to complete such trials will be adversely affected***

Identifying, screening and enrolling patients to participate in clinical trials of our product candidates is critical to our success, and we may not be able to identify, recruit, enroll and dose a sufficient number of patients with the required or desired characteristics to complete our clinical trials in a timely manner. The timing of our clinical trials depends on our ability to recruit patients to participate as well as to subsequently dose these patients and complete required follow-up periods. In particular, because our planned clinical trials may be focused on indications with relatively small patient populations, our ability to enroll eligible patients may be limited or may result in slower enrollment than we anticipate.

In addition, we may experience enrollment delays related to increased or unforeseen legal and logistical requirements at certain clinical trial sites. These delays could be caused by reviews by contractual discussions with individual clinical trial sites. Any delays in enrolling and/or dosing patients in our planned clinical trials could result in increased costs, delays in advancing our product candidates, delays in testing the effectiveness of our product candidates or in termination of the clinical trials altogether.



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Participant enrollment may also be affected by other factors, including:

- coordination with clinical research organizations to enroll and administer the clinical trials;
- coordination and recruitment of collaborators and investigators at individual sites;
- size of the participant population and process for identifying participants;
- design of the clinical trial protocol;
- eligibility and exclusion criteria;
- perceived risks and benefits of the product candidates under study;
- time of year in which the trials are initiated or conducted;
- ability to obtain and maintain subject consents;
- ability to enroll participants in a timely manner;
- risk that enrolled subjects will drop out before completion of the trials;
- proximity and availability of clinical trial sites for prospective participants;

- ability to monitor subjects adequately during and after treatment.

***It is uncertain whether product liability insurance will be adequate to address product liability claims, or that insurance against such claims will be affordable or available on acceptable terms in the future.***

Clinical research involves the testing of products on human volunteers pursuant to a clinical trial protocol. Such testing involves a risk of liability for personal injury to or death of patients due to, among other causes, adverse side effects, improper administration of the new product, or improper volunteer behavior. Claims may arise from patients, clinical trial volunteers, consumers, physicians, hospitals, companies, institutions, researchers, or others using, selling, or buying our products, as well as from governmental bodies. In addition, product liability and related risks are likely to increase over time, in particular upon the commercialization or marketing of any products by us or parties with which we enter into development, marketing, or distribution collaborations. Although we are contracting for general liability insurance in connection with our ongoing business, there can be no assurance that the amount and scope of such insurance coverage will be appropriate and sufficient in the event any claims arise, that we will be able to secure additional coverage should we attempt to do so, or that our insurers would not contest or refuse any attempt by us to collect on such insurance policies. Furthermore, there can be no assurance that suitable product liability insurance (at the clinical stage and/or commercial stage) will continue to be available on terms acceptable to us or at all, or that, if obtained, the insurance coverage will be appropriate and sufficient to cover any potential claims or liabilities.

***If we are unable to establish relationships with licensees or collaborators to carry out sales, marketing, and distribution functions or to create effective marketing, sales, and distribution capabilities, we will be unable to market our products successfully.***

Our business strategy may include out-licensing product candidates to or collaborating with larger firms with experience in marketing and selling pharmaceutical products. There can be no assurance that we will successfully be able to establish marketing, sales, or distribution relationships with any third-party, that such relationships, if established, will be successful, or that we will be successful in gaining market acceptance for any products we might develop. To the extent that we enter into any marketing, sales, or distribution arrangements with third parties, our product revenues per unit sold are expected to be lower than if we marketed, sold, and distributed our products directly, and any revenues we receive will depend upon the efforts of such third parties.

If we are unable to establish such third-party marketing and sales relationships, or choose not to do so, we would have to establish in-house marketing and sales capabilities. To market any products directly, we would have to establish a marketing, sales, and distribution force that has technical expertise and could support a distribution capability. Competition in the dietary supplement industry for technically proficient marketing, sales, and distribution personnel is intense and attracting and retaining such personnel may significantly increase our costs.

There can be no assurance that we will be able to establish internal marketing, sales, or distribution capabilities or that these capabilities will be sufficient to meet our needs.

***We face business disruption and related risks resulting from the recent pandemic of COVID-19, which could have, and has had, a material adverse effect on our business plan.***

Our supply chain and the development of our product candidates, including that of our subsidiaries, could be, and have been, disrupted and materially adversely affected by the recent outbreak of COVID-19. As a result of measures imposed by the governments in affected regions, businesses and schools have been suspended due to quarantines intended to contain this outbreak. We are still assessing our business plans and the impact COVID-19 may have on our supply chain and ability to conduct our clinical trials, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally. The extent to which the COVID-19 pandemic and global efforts to contain its spread will impact our operations will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic.

***Natural disasters and other events beyond our control could materially adversely affect us.***

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services. The World Health Organization declared the COVID-19 outbreak a pandemic. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the impact on our customers and employees, all of which are uncertain and cannot be predicted. At this point, the overall extent to which COVID-19 may impact our financial condition or results of operations is uncertain.



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***We have a limited operating history upon which investors can evaluate our future prospects.***

We have a limited operating history upon which an evaluation of its business plan or performance and prospects can be made. The business and prospects of the Company must be considered in the light of the potential problems, delays, uncertainties and complications encountered in connection with a newly established business and new industry. The risks include, but are not limited to, the possibility that we will not be able to develop functional and scalable products and services, or that although functional and scalable, our products and services will not be economical to market; that our competitors hold proprietary rights that preclude us from marketing such products; that our competitors market a superior or equivalent product; that we are not able to upgrade and enhance our technologies and products to accommodate new features and expanded service offerings; or the failure to receive necessary regulatory clearances for our products. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that we can successfully address these challenges. If it is unsuccessful, we and our business, financial condition and operating results could be materially and adversely affected.

The current and future expense levels are based largely on estimates of planned operations and future revenues rather than experience. It is difficult to accurately forecast future revenues because our business is new and our market has not been developed. If our forecasts prove incorrect, the business, operating results and financial condition of the Company may be materially and adversely affected. Moreover, we may be unable to adjust our spending in a timely manner to compensate for any unanticipated reduction in revenues. As a result, any significant reduction in revenues may immediately and adversely affect our business, financial condition and operating results.

***Our products and manufacturing activities are subject to extensive government regulation, and failure to comply with these laws and regulations, as they currently exist or as modified in the future, may increase our costs, limit or eliminate our ability to sell certain products, subject us or our suppliers to the risk of enforcement action, or otherwise adversely affect our business, results of operations and financial condition.***

The manufacture, packaging, labeling, advertising, promotion, distribution, import, export and sale of our products are subject to regulation by numerous national and local governmental agencies in the United States and other countries, including but not limited to the U.S. Food and Drug Administration (FDA) and the Federal Trade Commission (FTC). Failure to comply with FDA regulatory requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines, and criminal prosecutions. Any action of this type by the FDA could materially adversely affect our ability to market our products successfully.

The manufacture of nutritional or dietary supplements and related products in the United States requires compliance with dietary supplement current Good Manufacturing Practice (GMP) regulations, which are based on the food-model GMP regulations, with additional requirements that are specific to dietary supplements. We believe the manufacturing processes for the Safety Shot Dietary Supplement substantially complies with the applicable dietary supplement GMP requirements. Nevertheless, any FDA action

determining that such processes do not comply with dietary supplement GMPs could materially adversely affect our ability to manufacture and market the Sure Shot Dietary Supplement in the United States. In addition, the Dietary Supplement & Nonprescription Drug Consumer Protection Act requires dietary supplement manufacturers and distributors to notify the FDA when they receive reports of serious adverse events associated with their products that occur within the United States.

Individual U.S. states also regulate nutritional supplements. A state may seek to interpret claims or products presumptively valid under federal law as illegal under that state's regulations, or otherwise seek to create restrictions to access under state law. For example, during the 2024 legislative session, several states are considering bills that would restrict the sale of muscle building and/or weight management supplements to people over the age of 18. Government agencies, as well as legislative bodies, can change existing regulations, or impose new ones, or could take aggressive measures, causing or contributing to a variety of negative consequences, including:

- requirements for the reformulation of products to meet new standards;
- the recall or discontinuance of products;
- additional record-keeping requirements;
- expanded documentation of the properties of certain or all products;
- expanded or different labeling or advertising for products;
- expanded adverse event tracking and reporting requirements; and
- additional scientific substantiation to support product claims.

We cannot predict the nature of any future laws, regulations, interpretations, or applications, nor can we determine what effect additional governmental regulations or administrative orders, when and if promulgated, could have on our business, financial condition, or results of operations.



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***We are subject to government regulations of the processing, formulation, packaging, labeling and advertising of our wellness and dietary supplement products.***

Under the Federal Food, Drug, and Cosmetic Act (the FD&C Act), companies that manufacture and distribute functional foods and dietary supplements, such as our Safety Shot Dietary Supplement, are limited in the claims that they are permitted to make about nutritional support on the product label without FDA approval. Any failure by us to adhere to the labeling requirements could lead to the FDA requiring that our products be repackaged and relabeled, which would have a material adverse effect on our business. In addition, companies are responsible for the accuracy and truthfulness of, and must have adequate scientific substantiation for, any nutritional or functional claims. These claims must be truthful and not misleading. Promotional claims about foods and dietary supplements also must not include statements that the product can diagnose, mitigate, treat, cure or prevent a specific disease or class of disease.

We believe we are able to market our Sure Shot Dietary Supplement product in reliance on the self-affirmed Generally Recognized As Safe (GRAS) status of our formulation's current ingredients. No governmental agency or other third party has made a determination as to whether or not the Sure Shot Dietary Supplement has achieved GRAS status. We make this determination based on independent scientific opinions that the individual ingredients and formulation as a whole are not harmful under their intended conditions of use. If the FDA, another regulatory authority or other third party denied our self-affirmed GRAS status for the Sure Shot Dietary Supplement, we could face significant penalties or be required to undergo the regulatory approval process in order to market our product, and our business, financial condition and results of operations will be adversely affected. We cannot guarantee that in such a situation the Sure Shot Dietary Supplement would be approved.

The processing, formulation, packaging, labeling and advertising of our products may also be subject to regulation by the FTC, the Environmental Protection Agency (EPA), and various agencies of the states and localities in which the products are sold. Any changes in the current regulatory environment could impose requirements that would limit our ability to market our supplement products and make bringing new products to market more expensive. In addition, the adoption of new regulations or changes in the interpretation of existing regulations may result in significant compliance costs or discontinuation of product sales and may adversely affect our business, financial condition and results of operations.

While we have positioned the Sure Shot Dietary Supplement as a dietary supplement, it is possible that the FDA or a state regulatory agency could classify our product as a drug. If the Sure Shot Dietary Supplement is determined to be a drug, we would not be able to market it further without making significant changes to the product and labeling or going through the drug approval process, which would limit our ability to effectively market the product and would adversely affect our financial condition and results of operations. Additional clinical trials may be necessary in order to support any new drug approval for the Sure Shot Dietary Supplement, and clinical trials designed to support drug approval may be time consuming, expensive, and uncertain. If required, such additional studies may take years to complete, and we may never generate the necessary data or results required to obtain marketing authorization of Safety Shot Dietary Supplement as an over-the-counter drug product. Accordingly, there can be no assurances that any such drug approval, if required, could be obtained for the Sure Shot Dietary Supplement. If the FDA or a state regulatory agency ultimately determines the Sure Shot Dietary Supplement is a drug rather than a dietary supplement, the agency could claim that the product is misbranded and require that we recall, repackage and relabel the product and impose civil and/or criminal penalties. Any of these situations could adversely affect our business and operations, and any public actions taken by the FDA or other regulatory agency against us could lead to consumer complaints, civil lawsuits, retail customers terminating any supply agreements we may have with them, and significant reputational harms to the company.

***Our failure to comply with applicable laws or regulations could result in substantial monetary penalties and could adversely affect our operating results.***

In recent years, the marketing and labeling of functional foods and beverages and dietary supplements has brought increased risk that consumers will bring class action lawsuits and that the FTC and/or state attorneys general will bring legal action concerning the truth and accuracy of the marketing and labeling of such products, seek removal of such products from the marketplace, and/or impose fines and penalties. Our Sure Shot Dietary Supplement product is marketed with express and implied statements relating to the ingredients or health and wellness related attributes, which may increase the potential risk of regulatory scrutiny over such claims. The lack of specific regulations or guidance on common supplement terms and statements used in product labeling has contributed to legal challenges against many supplement companies, and plaintiffs have commenced legal actions against several nutritional supplement companies, asserting false, misleading and deceptive advertising and labeling claims. In addition, the FTC has instituted numerous enforcement actions against dietary supplement companies for failure to have adequate substantiation for claims made in advertising or for the use of false or misleading advertising claims. Our failure to comply with applicable regulations could result insubstantial monetary penalties, which would likely have a material adverse effect on our financial condition or results of operations.

Even when unmerited, class action lawsuits, action by the FTC or state attorneys general enforcement actions can be expensive to defend against and may adversely affect our reputation with existing and potential customers and consumers and our corporate and brand image, which would likely have a material and adverse effect on our business, financial condition or results of operations. The number of private consumer class actions relating to false or deceptive advertising against nutritional supplement companies has increased in recent years.



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In addition, the FDA has aggressively enforced its regulations with respect to different types of product claims that may or may not be made for food or dietary supplement products. These events could interrupt the marketing and sales of our Sure Shot Dietary Supplement product, severely damage our brand reputation and public image, increase our legal expenses, result in product recalls or litigation, and impede our ability to deliver our products in sufficient quantities or quality, which would likely result in a material adverse effect on our business, financial condition, results of operations and cash flows.

***Congress and/or regulatory agencies may impose additional laws or regulations or change current laws or regulations, and state attorneys general may increase***

***enforcement of existing or new laws, and compliance with new or changed governmental regulations, or any state attorney proceeding, could increase our costs significantly and materially and adversely affect our business, financial condition and results of operations.***

From time to time, Congress, the FDA, the FTC, or other federal, state, local or foreign legislative and regulatory authorities may impose additional laws or regulations that apply to us, repeal laws or regulations that we consider favorable to us or impose more stringent interpretations of current laws or regulations. We are not able to predict the nature of such future laws, regulations, repeals or interpretations or to predict the effect that additional governmental regulation, when and if it occurs, would have on our business in the future. Those developments could require reformulation of certain products to meet new standards, recalls or discontinuance of certain products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, adverse event reporting or other new requirements.

For example, in recent years, the FDA has issued warning letters to several dietary supplement companies alleging improper and unapproved drug claims regarding their products marketed for use as hangover cures or to prevent hangovers. If the FDA determines that we have disseminated inappropriate and unapproved drug claims for our Safety Shot Dietary Supplement, which we are positioning as a dietary supplement, we could receive a warning or untitled letter, be required to modify our product claims or take other actions to satisfy the FDA. Such a public warning or untitled letter from the FDA could harm our reputation and could lead to potential customer or consumer complaints or even civil lawsuits and other financial damages. While we would intend to vigorously defend our company and the Safety Shot product line in such a situation, any developments of this nature could increase our costs significantly and would likely have a material adverse effect on our business, financial condition and results of operations.

***Our reliance on third parties to manufacture and supply our products, including the Sure Shot Dietary Supplement, may harm our business, financial condition and operating results.***

We contract with third-party suppliers and manufacturers for the production of our products, including the Sure Shot Dietary Supplement. These third-party suppliers and manufacturers produce and, in most cases, pack our products according to formulations and specifications that have been developed by or in conjunction with our in-house product development team. Products manufactured by third-party suppliers at their facilities must also pass through quality control and assurance procedures to ensure they are manufactured in conformance with our specifications. We cannot assure you that our third-party contract manufacturers will continue to reliably supply products to us at the levels of quality, or the quantities, we require, and in compliance with our specifications or applicable laws, including under the FDA's dietary supplement GMP regulations and the FD&C Act's food safety provisions. Should our contract manufacturers experience quality issues or supply us with non-conforming products, we may need to terminate relationships or secure alternative suppliers. Identifying and obtaining acceptable replacement manufacturing sources, on a timely basis or at all, for FDA-regulated functional beverages and dietary supplement products is challenging. Additionally, any future need to transfer our third-party manufacturing business to another contract manufacturer could be expensive, time-consuming, result in delays in our production or shipping, reduce our net sales, damage our relationship with customers and damage our reputation in the marketplace.

***We rely on third parties to conduct clinical trials and most nonclinical studies of our products, including the Sure Shot Dietary Supplement. If these third parties do not perform as contractually required, fail to satisfy regulatory or legal requirements or miss expected deadlines, our product development and commercialization efforts could be delayed with material and adverse effects on our business, financial condition, results of operations and prospects.***

While we recently completed a clinical trial for the Safety Shot Dietary Supplement and may sponsor clinical trials in the future for the Sure Shot Dietary Supplement or other products, we do not independently conduct clinical trials or the majority of nonclinical studies involving our products or product candidates. Accordingly, while we perform certain functions internally, we currently rely on third-party contract research organizations (CROs), such as the Center for Applied Health Sciences, as well as laboratories, clinical investigators, clinical data management organizations, and consultants, to help us design, conduct, supervise and monitor research involving our products and human participants. As a result, we have less control over the timing, quality and other aspects of our clinical trials than we would have had we conducted them on our own. There is a limited number of third-party service providers that specialize in the wellness space or have the expertise required to achieve our business objectives. If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or investigators or to do so on commercially reasonable terms. Further, these laboratories, investigators, CROs and consultants are not our employees and we have limited control over the amount of time and resources that they dedicate to our product development programs. These third parties may have contractual relationships with other entities, some of which may be our competitors, which may draw time and resources from our programs. The third parties with which we contract might not be diligent, careful or timely in conducting our nonclinical studies or clinical trials. If we cannot contract with acceptable third parties on commercially reasonable terms, or at all, or if these third parties do not carry out their contractual duties, satisfy the legal and regulatory requirements for the conduct of nonclinical studies or clinical trials or meet expected deadlines for any reason, our product development efforts could be delayed and otherwise adversely affected.



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In all events, we are responsible for ensuring that each of our nonclinical studies and clinical trials is conducted in accordance with the general investigational plan and protocols for the relevant study or trial. For example, the FDA requires certain nonclinical studies to be conducted in accordance with good laboratory practices and clinical trials to be conducted in accordance with good clinical practices, including practices and requirements for designing, conducting, recording and reporting the results of nonclinical studies and clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. Our reliance on third parties we do not control do not relieve us of these responsibilities and requirements. Any adverse development or delay in our nonclinical studies or clinical trials could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Further, should the FDA determine that the Sure Shot Dietary Supplement is a drug rather than a dietary supplement and require us to secure new drug approval or another form of marketing authorization for the Sure Shot Dietary Supplement, there can be no assurance that the nonclinical and clinical data we have generated to date would be sufficient to meet applicable regulatory standards for demonstrating substantial evidence of effectiveness. "Substantial evidence" represents the evidentiary threshold in the FD&C Act for the efficacy of new drugs, and it requires at least one adequate and well-controlled clinical investigation to establish effectiveness. Because we have positioned the Sure Shot Dietary Supplement as a dietary supplement, our recently completed clinical trial may not meet FDA's expectations for a well-controlled clinical investigation adequate to support a potential drug approval.

***We may not meet our product development and commercialization milestones.***

We have established milestones, based upon our expectations regarding our technologies at that time, which we use to assess our progress toward developing our products. These milestones relate to technology and design improvements as well as dates for achieving development goals. If our products exhibit technical defects or are unable to meet cost or performance goals, our commercialization schedule could be delayed, and potential purchasers of our initial commercial products may decline to purchase such products or may opt to pursue alternative products.

We may also experience shortages of equipment due to manufacturing difficulties. Multiple suppliers provide the components used in manufacturing our products. Our manufacturing operations could be disrupted by fire, earthquake or other natural disaster, a labor-related disruption, failure in supply or other logistical channels, electrical outages or other reasons. If there were a disruption to manufacturing facilities, we would be unable to manufacture until we have restored and re-qualified our manufacturing capability or developed alternative manufacturing facilities.

***Our operations in international markets involve inherent risks that we may not be able to control.***

Our business plan includes the marketing and sale of our proposed products in international markets. Accordingly, our results could be materially and adversely affected by a variety of uncontrollable and changing factors relating to international business operations, including:

- Macroeconomic conditions adversely affecting geographies where we intend to do business;

- Foreign currency exchange rates;
- Political or social unrest or economic instability in a specific country or region;
- Higher costs of doing business in foreign countries;
- Infringement claims on foreign patents, copyrights or trademark rights;
- Difficulties in staffing and managing operations across disparate geographic areas;
- Difficulties associated with enforcing agreements and intellectual property rights through foreign legal systems;
- Trade protection measures and other regulatory requirements, which affect our ability to import or export our products from or to various countries;
- Adverse tax consequences;
- Unexpected changes in legal and regulatory requirements;
- Military conflict, terrorist activities, natural disasters and medical epidemics; and
- Our ability to recruit and retain channel partners in foreign jurisdictions.



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***Compliance with new and existing laws and governmental regulations could increase our costs significantly and adversely affect our results of operations.***

The processing, formulation, safety, manufacturing, packaging, labeling, advertising and distribution of our products are subject to federal laws and regulation by one or more federal agencies, including the FDA, the FTC, the CPSC, the USDA, and the EPA. These activities are also regulated by various state, local and international laws and agencies of the states and localities in which our products are sold. Government regulations may prevent or delay the introduction, or require the reformulation, of our products, which could result in lost revenues and increased costs to us. For instance, the FDA regulates, among other things, the composition, safety, manufacture, labeling and marketing of dietary ingredients and dietary supplements (including vitamins, minerals, herbs, and other dietary ingredients for human use). Dietary supplements and dietary ingredients that do not comply with FDA's regulations and/or the DSHEA will be deemed adulterated or misbranded. Manufacturers and distributors of dietary supplements and dietary ingredients are prohibited from marketing products that are adulterated or misbranded, and the FDA may take enforcement action against any adulterated or misbranded dietary supplement on the market. The FDA has broad enforcement powers. If we violate applicable regulatory requirements, the FDA may bring enforcement actions against us, which could have a material adverse effect on our business, prospects, financial condition, and results of operations. The FDA may not accept the evidence of safety for any new dietary ingredient that we may wish to market, may determine that a particular dietary supplement or ingredient presents an unacceptable health risk based on the required submission of serious adverse events or other information, and may determine that a particular claim(such as reducing Blood Alcohol Content) or statement of nutritional value that we use to support the marketing of a dietary supplement is an impermissible drug claim or is not substantiated. Any of these actions could prevent us from marketing particular dietary supplement products or making certain claims or statements with respect to those products. The FDA could also require us to remove a particular product from the market. Any future recall or removal would result in additional costs to us, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any product recalls or removals could also lead to an increased risk of litigation and liability, substantial costs, and reduced growth prospects.

Additional or more stringent laws and regulations of dietary supplements and other products have been considered from time to time. These developments could require reformulation of some products to meet new standards, recalls or discontinuance of some products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of some products, additional or different labeling, additional scientific substantiation, or other new requirements. Any of these developments could increase our costs significantly. In addition, regulators' evolving interpretation of existing laws could have similar effects.

**Risks Related to our Financial Position and Capital Needs**

***Our accountant has indicated doubt about our ability to continue as a going concern.***

As of December 31, 2023, and 2022, the Company had $3,833,349 and $1,931,068 in cash, accumulated deficit of $65,480,715 and $50,597,674 and cash flow used in operations of $10,515,314 and $6,395,942, respectively. The Company has incurred and expects to continue to incur significant costs in pursuit of its expansion and development plans. These conditions raise doubt about the Company's ability to continue as a going concern and accordingly our auditors have included a going concern opinion in our annual report.

In connection with certain public and private offerings (the "Financing"), the Company offered warrants as part of the Financing packages. During the year ended December 31, 2023, the Warrant Holders exercised a total of 10,266,845 warrants for shares of common stock for a total exercise price of $8,887,837. At December 12, 2023, the Company has 15,758,126 warrants outstanding at an average exercise price of $1.45. The Company expects, although there can be no assurance, that a majority of the outstanding warrants will be exercised in the near future.

In addition to the unexercised warrants, the Company also holds 1,200,821 shares of Chijet Motor Company, Inc. (Nasdaq: CJET) valued at $0.45 per share (as of March 27, 2024). These shares are considered trading shares and are held as marketable securities on the balance sheet. The Company also holds 3,650,048 shares of SRM Entertainment, Inc. (Nasdaq: SRM) valued at $1.41per share (as of March 27, 2024) and are held as investment in affiliate and are accounted for using the Equity Method. These shares are not covered by an effective registration statement but may be sold subject to Rule 144.

At June 30, 2024, the Company had $3,223,783 in cash and the Company recognizes that it may need to raise additional capital in order to continue to execute its business plan in the future. There is no assurance that the Warrant Holders will exercise their warrants or additional financing will be available if needed or that the Company will be able to obtain financing on terms acceptable to it or whether the Company will become profitable and generate positive operating cash flow. If the Company is unable to obtain revenue producing contracts or financing or if the revenue or financing it does obtain is insufficient to cover any operating losses it may incur, it may be forced to substantially curtail its operations or seek other business opportunities through strategic alliances, acquisitions or other arrangements that may dilute the interests of existing stockholders.



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***Raising additional capital may cause dilution to our existing stockholders, restrict our operations or require us to relinquish rights to our technologies or other assets.***

We may seek additional capital through a combination of private and public equity offerings, debt financings, strategic partnerships and alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, existing ownership interests will be diluted and the terms of such financings may include liquidation or other preferences that adversely affect the rights of existing stockholders. Debt financings may be coupled with an equity component, such as warrants to purchase shares, which could also result in dilution of our existing stockholders' ownership. The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business and may result in liens being placed on our assets and intellectual property. If we were to default on such indebtedness, we could lose such assets and intellectual property.

***Our potential for rapid growth and our entry into new markets make it difficult for us to evaluate our current and future business prospects, and we may be unable to effectively manage any growth associated with these new markets, which may increase the risk of your investment and could harm our business, financial condition, results of operations and cash flow.***

Our proliferation into new markets may place a significant strain on our resources and increase demands on our executive management, personnel and systems, and our operational, administrative and financial resources may be inadequate. We may also not be able to effectively manage any expanded operations or achieve planned growth on a

timely or profitable basis, particularly if the number of customers using our technology significantly increases or their demands and needs change as our business expands. If we are unable to manage expanded operations effectively, we may experience operating inefficiencies, the quality of our products and services could deteriorate, and our business and results of operations could be materially adversely affected.

***Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and ability to achieve profitability.***

Our effective income tax rate in the future could be adversely affected by a number of factors including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities and changes in tax laws. We regularly assess all of these matters to determine the adequacy of our tax provision which is subject to discretion. If our assessments are incorrect, it could have an adverse effect on our business and financial condition. There can be no assurance that income tax laws and administrative policies with respect to the income tax consequences generally applicable to us or to our subsidiaries will not be changed in a manner which adversely affects our shareholders.

**Risks Related to our Intellectual Property**

***We may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights.***

A third party may sue us or one of our strategic collaborators for infringing its intellectual property rights. Likewise, we may need to resort to litigation to enforce licensed rights or to determine the scope and validity of third-party intellectual property rights.

The cost to us of any litigation or other proceeding relating to intellectual property rights, even if resolved in our favor, could be substantial, and the litigation would divert our efforts. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. If we do not prevail in this type of litigation, we or our strategic collaborators may be required to pay monetary damages; stop commercial activities relating to the affected products or services; obtain a license in order to continue manufacturing or marketing the affected products or services; or attempt to compete in the market with a substantially similar product.

Uncertainties resulting from the initiation and continuation of any litigation could limit our ability to continue some of our operations. In addition, a court may require that we pay expenses or damages, and litigation could disrupt our commercial activities.

***Any inability to protect our intellectual property rights could reduce the value of our products and brands, which could adversely affect our financial condition, results of operations and business.***

Our business is partly dependent upon our trademarks, trade secrets, copyrights and other intellectual property rights. Effective intellectual property rights protection, however, may not be available under the laws of every country in which we and our sub-licensees may operate. There is a risk of certain valuable trade secrets, beyond what is described publicly in patents, being exposed to potential infringers. Regardless of our technology being protected by patents or otherwise, there is a risk that other companies may employ the technology without authorization and without recompensing us.

The efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. In addition, protecting our intellectual property rights is costly and time consuming. There is a risk that we may have insufficient resources to counter adequately such infringements through negotiation or the use of legal remedies. It may not be practicable or cost effective for us to fully protect our intellectual property rights in some countries or jurisdictions. If we are unable to successfully identify and stop unauthorized use of our intellectual property, we could lose potential revenue and experience increased operational and enforcement costs, which could adversely affect our financial condition, results of operations and business.



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***The intellectual property behind our products may include unpublished know-how as well as existing and pending intellectual property protection. All intellectual property protection eventually expires, and unpublished know-how is dependent on key individuals.***

The commercialization of our licensed products is partially dependent upon know-how and trade secrets held by certain individuals working with and for us. Because the expertise runs deep in these few individuals, if something were to happen to any or all of them, the ability to properly manufacture our products without compromising quality and performance could be diminished greatly.

Knowledge published in the form of any future intellectual property has finite protection, as all patents and trademarks have a limited life and an expiration date. While continuous efforts will be made to apply for patents and trademarks if appropriate, there is no guarantee that additional patents or trademarks will be granted. The expiration of patents and trademarks relating to our products may hinder our ability to sub-license or sell our products for a long period of time without the development of a more complex licensing strategy.

***If we are not able to adequately protect our intellectual property, then we may not be able to compete effectively, and we may not be profitable.***

Our existing proprietary rights may not afford remedies and protections necessary to prevent infringement, reformulation, theft, misappropriation and other improper use of our products by competitors. We own the formulations contained in our products and we consider these product formulations to be our critical proprietary property, which must be protected from competitors. Although trade secret, trademark, copyright and patent laws generally provide a certain level of protection, and we attempt to protect ourselves through contracts with manufacturers of our products, we may not be successful in enforcing our rights. In addition, enforcement of our proprietary rights may require lengthy and expensive litigation. We have attempted to protect some of the trade names and trademarks used for our products by registering them with the U.S. Patent and Trademark Office, but we must rely on common law trademark rights to protect our unregistered trademarks. Common law trademark rights do not provide the same remedies as are granted to federally registered trademarks, and the rights of a common law trademark are limited to the geographic area in which the trademark is actually used. Our inability to protect our intellectual property could have a material adverse impact on our ability to compete and could make it difficult for us to achieve a profit.

**Risks Related to Our Securities and Other Risks**

***We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

We are an "emerging growth company" as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions. If some investors find our common stockless attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

***The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an "emerging growth company."***

We are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and other regulatory

requirements is time-consuming and results in increased costs to us and could have a negative effect on our results of operations, financial condition or business.
As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934 (as amended, the "Exchange Act") and the requirements of the Sarbanes-Oxley Act. These requirements may place a strain on our systems and resources.

The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. Sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join our firm and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our results of operations, financial condition or business.



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As an "emerging growth company" as defined in the JOBS Act, we intend to take advantage of certain temporary exemptions from various reporting requirements including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We may also delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies, as permitted by the JOBS Act.

***We have broad discretion in the use of the net proceeds from any offerings and may not use them effectively.***

Our management will have broad discretion in the application of the net proceeds from any offerings and may spend or invest these proceeds in a way with which our stockholders disagree. The failure by our management to apply these funds effectively could harm our business and financial condition. Pending their use, we may invest the net proceeds from any offering in a manner that does not produce income or that loses value.

***Our management has limited experience in managing the day-to-day operations of a public company and, as a result, we may incur additional expenses associated with the management of our Company.***

We only became a public company in October 2020. The management team is responsible for the operations and reporting of the Company. The requirements of operating as a public company are many and sometimes difficult to navigate. This may require us to obtain outside assistance from legal, accounting, investor relations, or other professionals that could be more costly than planned. If we lack cash resources to cover these costs of being a public company in the future, our failure to comply with reporting requirements and other provisions of securities laws could negatively affect our stock price and adversely affect our potential results of operations, cashflow and financial condition after we commence operations.

***Compliance with changing corporate governance regulations and public disclosures may result in additional risks and exposures.***

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and new regulations from the SEC, have created uncertainty for public companies such as ours. These laws, regulations, and standards are subject to varying interpretations in many cases, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. As a result, our efforts to comply with evolving laws, regulations, and standards have resulted in, and are likely to continue to result in, increased expense and significant management time and attention.

***Certain of our stockholders hold a significant percentage of our outstanding voting securities, which could reduce the ability of minority stockholders to effect certain corporate actions.***

At December 31, 2023, our officers and directors are the beneficial owners of approximately 20% our issued and outstanding voting securities. As a result, they possess significant influence over our elections and votes. As a result, their ownership and control may have the effect of facilitating and expediting a future change in control, merger, consolidation, takeover or other business combination, or encouraging a potential acquirer to make a tender offer. Their ownership and control may also have the effect of delaying, impeding, or preventing a future change in control, merger, consolidation, takeover or other business combination, or discouraging a potential acquirer from making a tender offer.

***If securities or industry analysts publish inaccurate or unfavorable research about our business, our stock price could decline.***

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. Once our common stock is quoted, if one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline.

***We do not intend to pay dividends for the foreseeable future.***

We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends on our common stock in the foreseeable future.



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***Our Second Amended and Restated Certificate of Incorporation contains an exclusive forum provision for certain claims, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.***

Our Second Amended and Restated Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative forum, New York shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim for breach of a fiduciary duty owed by any director, officer, employee, or agent of the Company to the Company or the Company's shareholders or (c) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said court having personal jurisdiction over the indispensable parties named as defendants therein. This provision may limit a shareholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the company and its directors, officers, or other employees and may discourage lawsuits with respect to such claims. This provision does not apply to actions arising under the Exchange Act or Securities Act.

***Our issuance of additional common stock or preferred stock may cause our common stock price to decline, which may negatively impact your investment.***

Issuances of a substantial number of additional shares of our common or preferred stock, or the perception that such issuances could occur, may cause prevailing market prices for our common stock to decline. In addition, our board of directors is authorized to issue additional series of shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any such series of shares of preferred stock that may be issued, including voting rights, conversion rights, dividend rights, preferences over our common stock with respect to dividends or if we liquidate, dissolve or wind up our business and

other terms. If we issue cumulative preferred stock in the future that has preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the market price of our common stock could decrease.

***Anti-takeover provisions in the Company's charter and bylaws may prevent or frustrate attempts by stockholders to change the board of directors or current management and could make a third-party acquisition of the Company difficult.***

The Company's certificate of incorporation and bylaws contain provisions that may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. Furthermore, the Board of Directors has the ability to increase the size of the Board and fill newly created vacancies without stockholder approval. These provisions could limit the price that investors might be willing to pay in the future for shares of the Company's common stock.

***Our common stock may become subject to the SEC's penny stock rules and accordingly, broker-dealers may experience difficulty in completing customer transactions and trading activity in our securities may be adversely affected.***

The SEC has adopted regulations, which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share, subject to specific exemptions. The market price of our common stock is less than $5.00 per share and therefore would be a "penny stock" according to SEC rules, unless we are listed on a national securities exchange. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

- Make a special written suitability determination for the purchaser;
- Receive the purchaser's prior written agreement to the transaction;
- Provide the purchaser with risk disclosure documents which identify certain risks associated with investing in "penny stocks" and which describe the market for these "penny stocks" as well as a purchaser's legal remedies; and
- Obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a "penny stock" can be completed.

Although our common stock is not currently subject to these rules, it were to become subject to such rules, broker-dealers may find it difficult to effectuate customer transactions and trading activity in our securities may be adversely affected. As a result, the market price of our securities may be depressed, and you may find it more difficult to sell your securities.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

During the nine months ended September 30, 2024, the Company issued a total of 0 shares of common stock for services valued at $0.

During the nine months ended September 30, 2024, the Company issued a total of 0 shares of common stock related to two consulting agreements entered into during 2023 that were recorded as Common Stock Payable at December 31, 2023 and valued at a total of $113,500.

During the nine months ended September 30, 2024, the Company issued 0 shares of common stock related to the promissory debt modification and extinguishment recorded as Common Stock Payable at December 31, 2023 and valued at a total of $245,044.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None



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**Item 6. Exhibits**

| Exhibit Number | Description |
|---|---|
| **(31)** | **Rule 13a-14 (d)/15d-14d) Certifications** |
| 31.1 | Section 302 Certification by the Principal Executive Officer |
| 31.2 | Section 302 Certification by the Principal Financial Officer and Principal Accounting Officer |
| **(32)** | **Section 1350 Certifications** |
| 32.1* | Section 906 Certification by the Principal Executive Officer |
| 32.2 | Section 906 Certification by the Principal Financial Officer and Principal Accounting Officer |
| **101*** | **Interactive Data File** |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Taxonomy Extension Schema Document |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

** The certifications attached as Exhibits 32.1 and 32.2 accompany this quarterly report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.*



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**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.

**Safety Shot, INC.**

Dated: November 14, 2024

*/s/ Jarrett Boon*

**Jarrett Boon**
Chief Executive Officer
(Principal Executive Officer Officer)

**EXHIBIT 31.1**

**CERTIFICATIONS PURSUANT TO**

**18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO**

**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jarrett Boon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Safety Shot, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2024

*/s/ Jarrett Boon*
Jarrett Boon
Chief Executive Officer
(Principal Executive Officer)

**EXHIBIT 31.2**

**CERTIFICATIONS PURSUANT TO**

**18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO**

**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Danielle DeRosa, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Safety Shot, Inc.;

2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2024

*/s/ Danielle DeRosa*
Danielle DeRosa
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)

**EXHIBIT 32.1**

**CERTIFICATIONS PURSUANT TO**

**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jarrett Boon, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of Safety Shot, Inc. for the period ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Safety Shot, Inc.

Dated: November 14, 2024

*/s/ Jarrett Boon*

Jarrett Boon
Chief Executive Officer
(Principal Executive Officer Officer)
Safety Shot, Inc.

**EXHIBIT 32.2**

**CERTIFICATIONS PURSUANT TO**

**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Danielle DeRosa, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of Safety Shot, Inc. for the period ended September 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Safety Shot, Inc.

Dated: November 14, 2024

*/s/ Danielle DeRosa*

Danielle DeRosa
Chief Financial Officer
(Principal Financial Officer
and Principal Accounting Officer)
Safety Shot, Inc.