RISK FACTORS

The SEC requires the Company to identify risks that are specific to its business and its financial condition. The Company is subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:

- **Brand image and consumer preferences.** Our beverage portfolio is comprised of a number of unique brands with reputations and consumer imagery that have been built over time. Our investments in marketing as well as our strong commitment to product quality are intended to have a favorable impact on brand image and consumer preferences. Unfavorable publicity, or allegations of quality issues, even if false or unfounded, could tarnish our reputation and brand image and may cause consumers to choose other products. In addition, if we do not adequately anticipate and react to changing demographics, consumer trends, health concerns and product preferences, our financial results could be adversely affected.

- **Competition.** The beverage industry is extremely competitive. Our products compete with a broad range of beverage products, most of which are manufactured and distributed by companies with substantially greater financial, marketing and distribution resources. In order to generate future revenues and profits, we must continue to sell products that appeal to our customers and consumers. Discounting and other actions by our competitors may make it more difficult to sustain revenues and profits.

- **Volatility in the price or availability of the inputs we depend on, including raw materials, packaging, energy and labor, could adversely impact our financial results.** Our financial results could be adversely impacted by changes in the cost or availability of raw materials and packaging. Continued growth would require us to hire, retain and develop a highly skilled workforce and talented management team. Any unplanned turnover or our failure to develop an adequate succession plan for current positions could erode our competitiveness. In addition, our financial results could be adversely affected by increased costs due to increased competition for employees, higher employee turnover or increased employee benefit costs.

- **Governmental regulation.** Our business and properties are subject to various federal, state and local laws and regulations, including those governing the production, packaging, quality, labeling and distribution of beverage products. In addition, various governmental agencies have enacted or are considering additional taxes on soft drinks and other sweetened beverages. Changes in existing laws or regulations could require material expenses and negatively affect our financial results through lower sales or higher costs.

- **Dependence on key personnel.** Our performance significantly depends upon the continued contributions of our executive officers and key employees, both individually and as a group, and our ability to retain and motivate them. Our officers and key personnel have many years of experience with us and in our industry and it may be difficult to replace them. If we lose key personnel or are unable to recruit qualified personnel, our operations and ability to manage our business may be adversely affected. We do not maintain key man life insurance policies for our officers, directors or key personnel.

- **Because our officers and directors serve as officers and directors of other companies engaged in the beverage industry, a potential conflict of interest could negatively impact our ability to run our business.** Some of our directors and officers work for other companies in the beverage industry. Due to time demands placed on our directors and officers, and due to the competitive nature of the beverage industry, the potential exists for conflicts of interest to occur from time to time that could adversely affect our ability to conduct our business. The officers and directors' employment and affiliations with other entities limits the amount of time they can dedicate to us as a director or officer and cannot be certain that a conflict of interest will not arise in the future. To date, there have not been any conflicts of interest between any of our directors or officers and the Company.

- **If our products become adulterated, misbranded or mislabeled, we might need to recall those items and we may experience product liability claims if consumers are injured or become sick.** Product recalls or safety concerns could adversely impact our market share and financial results. We may be required to recall certain of our products should they be mislabeled, contaminated or damaged. We also may become involved in lawsuits and legal proceedings if it is alleged that the consumption of any of our products causes injury or illness. A product recall or an adverse result in any such litigation could have an adverse effect on our operating and financial results. We may also lose customer confidence for our entire brand portfolio.

- **Our distribution network relies on relationships with our distributors, and such reliance could affect our ability to efficiently and profitably distribute and market products, maintain existing markets and expand business into other geographic markets.** Our business relies upon distribution relationships for the sale and distribution of our products. There can be no assurance that we will be able to mitigate the risks related to all or any of these factors in any of the current or prospective geographic areas of distribution. To the extent that any of these factors have an adverse effect on the relationships with consultants, companies or retailers in a particular geographic area and, thus, limit our ability to maintain and expand the sales market, revenues and financial results may be adversely impacted.

  There also is no assurance that we will be able to maintain distribution relationships or establish and maintain successful relationships in new geographic distribution areas. There is the possibility that we will have to incur significant expenses to attract and maintain relationships in one or more geographic distribution areas in order to profitably expand geographic markets. The occurrence of any of these factors could result in a significant decrease in sales volume of our branded products and the products which we distribute for others and harm our business and financial results.

- **Our investor presentation includes financial projections over the next five years.** These projections are based on the opinion of management regarding our ability to generate distribution channels for our products. There can be no assurance we will be able to place our products in the number of channels identified in those projections.

- **Our financial statements have been prepared on a going concern basis and we must raise additional capital and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results.** Artesian CPA, LLC, our independent registered public accounting firm, has included an explanatory paragraph in their Review Report for the fiscal year ended December 31, 2016 and 2015 that accompanies our financial statements indicating that our current liquidity position raises substantial doubt about our ability to continue as a going concern. If we are unable to raise additional capital and/or obtain financing sufficient to meet current and future obligations and deploy such to produce profitable operating results, we may not be able to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result if we are unable to continue as a going concern and, therefore, be required to realize our assets and discharge our liabilities other than in the normal course of business which could cause investors to suffer the loss of all or a substantial portion of their investment.

- **As a growing Company, we have to develop reliable accounting resources. Failure to achieve and maintain effective internal accounting controls could prevent us from producing reliable financial reports.**

  Effective internal controls and accounting resources are necessary for us to provide reliable financial reports, which, as a growing Company, we are still building. Failure to achieve and maintain an effective internal accounting and control environment could cause us to face regulatory action and also cause investors to lose confidence in our reported financial information, either of which could have an adverse effect on our business and financial results.

- **Any valuation at this stage is difficult to assess.** Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment. In addition, there may be additional classes of equity with rights that are superior to the class of equity being sold.

- **You can’t easily resell the securities.** There are restrictions on how you can resell your securities for the next year. More importantly, there is no market for these securities, and there might never be one. It’s unlikely that the Company will ever go public or get acquired by a bigger Company. That means the money you paid for these securities could be tied up for a long time.