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ACT OF 1934Â For the transition period from _______ to _________Â Commission File No. 001-40471Â SPLASH BEVERAGE GROUP, INC.Â (Exact name of registrant as specified in its charter)Â Nevada Â 34-1720075 (State or other jurisdiction ofincorporation or formation) Â (I.R.S. employeridentification number) Â 1314 E Las Olas Blvd. Suite 221 Fort Lauderdale, FL 33301 (Address of principal executive offices) (Zip code) Â (954) 745-5815(Registrantâ€™s telephone number, including area code)Â Not Applicable(Former name, former address and former fiscal year, if changed since last report)Â Securities registered pursuant to Section 12(b) ofthe Act:Â Title of each class Â Trading Symbol Â Name of each exchange on which registered Common Stock, $0.001 value per share Â SBEV Â NYSE American LLC Warrants to purchase common stock, $0.001 par value per share Â SBEV-WT Â NYSE American LLC Â 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 requirementsfor the past 90 days.Â â˜’Â Yesâ˜Â NoÂ Â Â Indicate by check mark whether the registrant hassubmitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Â§232.405 ofthis chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â â˜’Â Yesâ˜Â NoÂ Indicate by check mark whether the registrant is alarge accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. Seethe definitions of â€œlarge accelerated filer,â€ â€œaccelerated filer,â€ â€œsmaller reporting companyâ€ andâ€œemerging growth companyâ€ in Rule 12b-2 of the Exchange Act.Â Large accelerated filer â˜ Â Accelerated filer â˜ Non-accelerated filer â˜’ Â Smaller reporting company â˜’Emerging growth company â˜ Â If an emerging growth company, indicate by check markif the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standardsprovided pursuant to Section 13(a) of the Exchange Act. â˜Â Indicate by check mark whether the registrant is ashell company (as defined in Rule 12b-2 of the Exchange Act).Â â˜Â Yesâ˜’Â NoÂ Check whether the registrant has filed all documentsand reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmedby a court. â˜Â Yes â˜Â NoÂ Â As of November 14, 2024,there were 61,711,017 shares of Common Stock issued and outstanding.Â Â Â SPLASH BEVERAGE GROUP, INC. FORM 10-Q September 30, 2024 Â TABLE OF CONTENTSÂ Â Page Â i Â Â PART I â€“ FINANCIALINFORMATIONÂ ITEM 1. FINANCIAL STATEMENTS Â Splash Beverage Group, Inc.Â Condensed Consolidated Financial StatementsÂ September 30, 2024Â 1 Â Â Splash Beverage Group, Inc. Condensed Consolidated Balance Sheets September 30, 2024 and December 31, 2023 Â Â Â Â Â Â Â Â Â Â Â Â September 30, 2024Â December 31, 2023 AssetsÂ Â (unaudited)Â Â Â Â Â Current assets:Â Â Â Â Â Â Â Â Cash and cash equivalentsÂ $456,889Â Â $379,978Â Accounts receivable, netÂ Â 595,305Â Â Â 890,631Â Prepaid expensesÂ Â 406,493Â Â Â 220,320Â InventoryÂ Â 1,341,436Â Â Â 2,252,469Â Other receivablesÂ Â 239,817Â Â Â 233,850Â Total current assetsÂ Â 3,039,940Â Â Â 3,977,248Â Â Â Â Â Â Â Â Â Â Non-current assets:Â Â Â Â Â Â Â Â DepositsÂ $49,849Â Â $49,446Â GoodwillÂ Â 256,823Â Â Â 256,823Â Intangible assets, netÂ Â 4,165,258Â Â Â 4,459,309Â Investment in Salt Tequila USA, LLCÂ Â 250,000Â Â Â 250,000Â Right of use assetsÂ Â 360,654Â Â Â 556,140Â Property and equipment, netÂ Â 241,766Â Â Â 349,802Â Total non-current assetsÂ Â 5,324,350Â Â Â 5,921,520Â Â Â Â Â Â Â Â Â Â Total assetsÂ $8,364,290Â Â $9,898,768Â Â Â Â Â Â Â Â Â Â Liabilities and Stockholdersâ€™ EquityÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Liabilities:Â Â Â Â Â Â Â Â Current liabilitiesÂ Â Â Â Â Â Â Â Accounts payable and accrued expensesÂ $5,580,252Â Â $4,444,286Â Right of use liability, current portionÂ Â 274,574Â Â Â 262,860Â Related party notes payableÂ Â 389,000Â Â Â 380,000Â Notes payable, net of discountsÂ Â 8,974,659Â Â Â 7,748,518Â Shareholder advancesÂ Â 200,000Â Â Â 200,000Â Accrued interest payableÂ Â 2,362,268Â Â Â 1,714,646Â Total current liabilitiesÂ Â 17,780,753Â Â Â 14,750,310Â Â Â Â Â Â Â Â Â Â Long-term liabilities:Â Â Â Â Â Â Â Â Notes payable, net of discountsÂ Â 1,322,870Â Â Â 457,656Â Right of use liability â€“ net of current portionÂ Â 88,740Â Â Â 296,128Â Total long-term liabilitiesÂ Â 1,411,610Â Â Â 753,784Â Â Â Â Â Â Â Â Â Â Total liabilitiesÂ Â 19,192,363Â Â Â 15,504,094Â Â Â Â Â Â Â Â Â Â Stockholdersâ€™ equity:Â Â Â Â Â Â Â Â Preferred stock, $0.001 par value, 5,000,000 shares authorized, no shares issuedÂ Â â€”Â Â Â â€”Â Common Stock, $0.001 par, 300,000,000 shares authorized, 61,230,548 shares issued, 44,330,099 shares outstanding at September 30, 2024 and December 31, 2023Â Â 61,231Â Â Â 44,330Â Additional paid in capitalÂ Â 135,842,349Â Â Â 127,701,710Â Accumulated other comprehensive lossÂ Â 61,236Â Â Â (16,583) Accumulated deficitÂ Â (146,792,889)Â Â (133,334,783) Total stockholdersâ€™ equityÂ Â (10,828,073)Â Â (5,605,326) Â Â Â Â Â Â Â Â Â Total liabilities and stockholdersâ€™ equityÂ $8,364,290Â Â $9,898,768Â Â Â The accompanying notes are an integral part of thesecondensed consolidated financial statements.Â 2 Â Â Splash Beverage Group, Inc. Condensed Consolidated Statements of Operations and Comprehensive Loss For the Three Months and Nine Months Ended September 30, 2024 and 2023 (Unaudited) Â Three months ended September 30Â Nine months ended September 30,Â Â 2024Â 2023Â 2024Â 2023Net revenuesÂ Â 981,858Â Â Â 5,144,069Â Â Â 3,569,320Â Â Â 16,161,747Â Cost of goods soldÂ Â (690,839)Â Â (3,847,202)Â Â (2,870,256)Â Â (11,326,298)Gross profitÂ Â 291,019Â Â Â 1,296,867Â Â Â 699,064Â Â Â 4,835,449Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Operating expenses:Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Contracted servicesÂ Â 208,211Â Â Â 382,096Â Â Â 628,076Â Â Â 1,094,398Â Salary and wagesÂ Â 1,101,700Â Â Â 1,195,916Â Â Â 3,579,801Â Â Â 3,794,179Â Non-cash share-based compensationÂ Â 186,682Â Â Â 367,244Â Â Â 2,085,671Â Â Â 1,224,101Â Other general and administrativeÂ Â 1,236,098Â Â Â 3,048,779Â Â Â 3,371,139Â Â Â 8,617,013Â Sales and marketingÂ Â 227,921Â Â Â 626,363Â Â Â 645,187Â Â Â 2,105,559Â Total operating expensesÂ Â 2,960,612Â Â Â 5,620,398Â Â Â 10,309,874Â Â Â 16,835,250Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Loss from operationsÂ Â (2,669,593)Â Â (4,323,531)Â Â (9,610,810)Â Â (11,999,801)Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Other income/(expense):Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Interest incomeÂ Â 736Â Â Â 348Â Â Â 1,571Â Â Â 1,668Â Interest expenseÂ Â (890,471)Â Â (221,488)Â Â (2,045,131)Â Â (561,249)Other Income/ExpenseÂ Â (35)Â Â Â â€”Â Â Â (1,937)Â Â 49,819Â Â Legal reserveÂ Â (330,000Â)Â Â â€”Â Â (330,000)Â Â â€”Â Amortization of debt discountÂ Â (830,200)Â Â (1,125,410)Â Â (2,730,854)Â Â (2,500,065)Total other income/(expense)Â Â (2,049,970)Â Â (1,346,550)Â Â (5,106,351)Â Â (3,009,827)Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Provision for income taxesÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Net lossÂ $(4,719,563)Â $(5,670,081)Â $(14,717,161)Â $(15,009,628)Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Other Comprehensive Income (Loss)Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Foreign currency translation lossÂ Â 85,074Â Â Â 29,406Â Â Â 77,819Â Â Â 12,024Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Total Comprehensive Income (Loss)Â $(4,634,489)Â $(5,640,675)Â $(14,639,342)Â $(14,997,604)Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â (Loss) per share - continuing operationsÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Basic and dilutedÂ $(0.08)Â $(0.13)Â $(0.29)Â $(0.36)Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Weighted average number of common shares outstanding - continuing operationsÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Basic and dilutedÂ Â 5,272,802Â Â Â 42,812,058Â Â Â 51,393,262Â Â Â 41,991,259Â Â The accompanying notes are an integral part of thesecondensed consolidated financial statements.Â 3 Â Â Splash Beverage Group, Inc.Â Â Condensed Consolidated Statement of Changesin Stockholdersâ€™ EquityFor the Nine months ended September 30, 2024 and2023(Unaudited)Â Common SharesÂ AmountÂ Additional paid-in capitalÂ Accumulated other comprehensive lossÂ Accumulated deficitÂ Total stockholdersâ€™ equityBalances at December 31, 2022Â Â 41,085,520Â Â $41,086Â Â $121,632,546Â Â $(20,472)Â $(112,331,026)Â $9,322,134Â Common stock issuable and beneficial conversion feature on convertible 12-month promissory noteÂ Â â€”Â Â Â â€”Â Â Â 1,786,468Â Â Â â€”Â Â Â â€”Â Â Â 1,786,468Â Share based compensationÂ Â â€”Â Â Â â€”Â Â Â 215,760Â Â Â â€”Â Â Â â€”Â Â Â 215,760Â Accumulated Comprehensive loss â€“ translation, netÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (1,609)Â Â â€”Â Â Â (1,609)Net lossÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (3,729,299)Â Â (3,729,299)Â Balances at March 31, 2023Â Â 41,085,520Â Â $41,086Â Â $123,634,774Â Â $(22,081)Â $(116,060,325)Â $7,593,454Â Issuance of common stock on convertible instrumentsÂ Â 1,500,000Â Â Â 1,500Â Â Â (1,500)Â Â â€”Â Â Â â€”Â Â Â â€”Â Share based compensationÂ Â â€”Â Â Â â€”Â Â Â 509,232Â Â Â â€”Â Â Â â€”Â Â Â 509,232Â Issuance of common stock for servicesÂ Â 216,666Â Â Â 216Â Â Â 223,449Â Â Â â€”Â Â Â â€”Â Â Â 223,665Â Issuance of warrants on convertible instrumentsÂ Â â€”Â Â Â â€”Â Â Â 1,269,669Â Â Â â€”Â Â Â â€”Â Â Â 1,269,669Â Accumulated Comprehensive loss â€“ translation, netÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (15,773)Â Â â€”Â Â Â (15,773)Net lossÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (5,610,249)Â Â (5,610,249)Â Balances at June 30, 2023Â Â 42,802,186Â Â $42,802Â Â $125,635,624Â Â $(37,854)Â $(121,670,574)Â $3,969,998Â Debt discount from convertible instrumentÂ Â â€”Â Â Â â€”Â Â Â 79,817Â Â Â â€”Â Â Â â€”Â Â Â 79,817Â Share based compensationÂ Â â€”Â Â Â â€”Â Â Â 300,912Â Â Â â€”Â Â Â â€”Â Â Â 300,912Â Issuance of common stock for servicesÂ Â 99,999Â Â Â 100Â Â Â 66,232Â Â Â â€”Â Â Â â€”Â Â Â 66,332Â Issuance of warrants on convertible instrumentsÂ Â â€”Â Â Â â€”Â Â Â 565,786Â Â Â â€”Â Â Â â€”Â Â Â 565,786Â Accumulated Comprehensive loss â€“ translation, netÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â 29,406Â Â Â â€”Â Â Â 29,406Â Net lossÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (5,670,081)Â Â (5,670,081)Â Balances at September 30, 2023Â Â 42,902,185Â Â $42,902Â Â $126,648,371Â Â $(8,448)Â $(127,340,655)Â $(657,830)Â Balances at December 31, 2023Â Â 44,330,099Â Â $44,330Â Â $127,701,710Â Â $(16,583)Â $(133,334,783)Â $(5,605,326)Â Issuance of common stock for note extensionÂ Â 200,000Â Â Â 200Â Â Â 107,800Â Â Â â€”Â Â Â â€”Â Â Â 108,000Â Share based compensationÂ Â â€”Â Â Â â€”Â Â Â 271,672Â Â Â â€”Â Â Â â€”Â Â Â 271,672Â Adoption of ASU 2020-06Â Â Â Â Â Â Â Â Â (2,191,103)Â Â Â Â Â Â 1,259,057Â Â Â (932,046)Issuance of warrants on convertible instrumentsÂ Â â€”Â Â Â â€”Â Â Â 768,346Â Â Â â€”Â Â Â â€”Â Â Â 768,346Â Conversion of notes payable to common stockÂ Â 1,552,000Â Â Â 1,552Â Â Â 386,448Â Â Â â€”Â Â Â â€”Â Â Â 388,000Â Issuance of common stock for servicesÂ Â 300,000Â Â Â 300Â Â Â 176,700Â Â Â â€”Â Â Â â€”Â Â Â 177,000Â Accumulated Comprehensive loss â€“ translation, netÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (7,437)Â Â â€”Â Â Â (7,437)Net lossÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (4,670,897)Â Â (4,670,897)Balances at March 31, 2024Â Â 46,382,099Â Â $46,382Â Â $127,221,573Â Â $(24,020)Â $(136,746,623)Â $(9,502,688)Â Issuance of common stock for convertible noteÂ Â 925,000Â Â Â 925Â Â Â 295,070Â Â Â â€”Â Â Â â€”Â Â Â 295,995Â Share based compensationÂ Â â€”Â Â Â â€”Â Â Â 893,648Â Â Â â€”Â Â Â â€”Â Â Â 893,648Â Issuance of warrants on convertible instrumentsÂ Â â€”Â Â Â â€”Â Â Â 1,751,400Â Â Â â€”Â Â Â â€”Â Â Â 1,751,400Â Conversion of notes payable to common stockÂ Â 6,059,511Â Â Â 6,060Â Â Â 1,375,597Â Â Â â€”Â Â Â â€”Â Â Â 1,381,657Â Issuance of common stock for servicesÂ Â 520,000Â Â Â 520Â Â Â 152,150Â Â Â â€”Â Â Â â€”Â Â Â 152,670Â Accumulated Comprehensive loss â€“ translation, netÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â 182Â Â Â â€”Â Â Â 182Â Net lossÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (5,326,702)Â Â (5,326,702)Balances at June 30, 2024Â Â 53,886,610Â Â $53,887Â Â $131,689,440Â Â $(23,838)Â $(142,073,327)Â $(10,353,838)Share based compensationÂ Â â€”Â Â Â â€”Â Â Â 147,656Â Â Â â€”Â Â Â â€”Â Â Â 147,656Â Â Issuance of common stock for convertible noteÂ Â 300,000Â Â Â 300Â Â Â 134,700Â Â Â Â Â Â Â Â Â Â Â 135,000Â Issuance of warrants on convertible instrumentsÂ Â â€”Â Â Â â€”Â Â Â 1,813,573Â Â Â â€”Â Â Â â€”Â Â Â 1,813,573Â Conversion of notes payable to common stockÂ Â 5,934,748Â Â Â 5,935Â Â Â 1,723,064Â Â Â â€”Â Â Â â€”Â Â Â 1,728,999Â Issuance of common stock for servicesÂ Â 1,109,190Â Â Â 1,109Â Â Â 333,916Â Â Â â€”Â Â Â â€”Â Â Â 335,025Â Accumulated Comprehensive loss â€“ translation, netÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â 85,074Â Â Â â€”Â Â Â 85,074Â Net lossÂ Â â€”Â Â Â â€”Â Â Â â€”Â Â Â â€”Â Â Â (4,719,562)Â Â (4,719,562)Balances at September 30, 2024Â Â 61,230,548Â Â $61,231Â Â $135,842,349Â Â $61,236Â Â $(146,792,889)Â $(10,828,073)Â The accompanying notes are an integral part of thesecondensed consolidated financial statements.Â 4 Â Â Splash Beverage Group, Inc. Condensed Consolidated Statement of Cash Flows For the Nine Months Ended September 30, 2024 and 2023 (Unaudited) Â Â Â Â Â Â Â Â Â Â Â Â 2024Â 2023 Net lossÂ $(14,717,161)Â $(15,009,628) Adjustments to reconcile net loss to net cash used in operating activities:Â Â Â Â Â Â Â Â Depreciation and amortizationÂ Â 405,322Â Â Â 403,948Â Amortization of debt discountÂ Â 2,730,854Â Â Â 2,500,065Â ROU assets, netÂ Â (189)Â Â 3,453Â Common stock issued for servicesÂ Â Â Â Â Â 289,998Â Non-cash share-based compensationÂ Â 2,085,671Â Â Â 1,224,101Â Changes in working capital items:Â Â Â Â Â Â Â Â Accounts receivable, netÂ Â 295,326Â Â Â 299,417Â Inventory, netÂ Â 911,033Â Â Â 813,846Â Prepaid expenses and other current assetsÂ Â (192,139)Â Â 90,061Â DepositsÂ Â (403)Â Â (108) Accounts payable and accrued expensesÂ Â 1,425,795Â Â Â 526,290Â Accrued interest payableÂ Â 672,427Â Â Â 354,792Â Net cash used in operating activitiesÂ Â (6,383,464)Â Â (8,503,765) Â Â Â Â Â Â Â Â Â Cash flows from investing activities:Â Â Â Â Â Â Â Â Capital expendituresÂ Â (3,235)Â Â (12,613) Net cash provided by investing activitiesÂ Â (3,235)Â Â (12,613) Â Â Â Â Â Â Â Â Â Cash flows from financing activities:Â Â Â Â Â Â Â Â Cash advance from related partyÂ Â 164,000Â Â Â 426,000Â Cash advance repayment from related partyÂ Â (155,000)Â Â â€”Â Cash advance from shareholderÂ Â â€”Â Â Â 200,000Â Proceeds from convertible promissory noteÂ Â 7,919,000Â Â Â 4,300,000Â Principal repayment of debtÂ Â (1,542,209)Â Â (757,270) Net cash provided by financing activitiesÂ Â 6,385,791Â Â Â 4,168,730Â Â Â Â Â Â Â Â Â Â Net cash effect of exchange rate changes on cashÂ Â 77,819Â Â Â 12,024Â Â Â Â Â Â Â Â Â Â Net change in cash and cash equivalentsÂ Â 76,911Â Â Â (4,335,624) Â Â Â Â Â Â Â Â Â Cash and cash equivalents, beginning of yearÂ Â 379,978Â Â Â 4,431,745Â Â Â Â Â Â Â Â Â Â Cash and cash equivalents, end of periodÂ $456,889Â Â $96,121Â Â Â Â Â Â Â Â Â Â Supplemental disclosure of cash flow information:Â Â Â Â Â Â Â Â Cash paid for InterestÂ $536,338Â Â $206,456Â Â Â Â Â Â Â Â Â Â Supplemental disclosure of non-cash investing and financing activitiesÂ Â Â Â Â Â Â Â Notes payable and accrued interest converted to common stock (13,546,259 shares in 2024)Â Â 3,356,138Â Â Â â€”Â Â Â Â Â Â Â Â Â Â Creation of debt discounts from the issuance of equity instrumentsÂ Â 3,764,023Â Â Â 3,099,940Â Â The accompanying notes are an integral part of thesecondensed consolidated financial statements.Â 5 Â Â Splash Beverage Group, Inc.Â Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 1 â€“ Business Organization and Nature of Operations Â Splash Beverage Group, Inc. (the â€œCompanyâ€‚â€œSplashâ€) seeks to identify, acquire, and build early stage or under-valued beverage brands that have strong growth potentialwithin its distribution system. Splashâ€™s distribution system is comprehensive in the US and is now planning to expand to selectattractive international markets. Through its division Qplash, Splashâ€™s distribution reach includes e-commerce access to both business-to-business(B2B) and business-to-consumer (B2C) customers. Qplash markets well known beverage brands to customers throughout the US that prefer deliverydirect to their office, facilities, and or homes.Â Note 2 â€“Summary of Significant Accounting Policies Â Basis of AccountingÂ The accompanying condensed consolidated financialstatements have been prepared in accordance with accounting principles generally accepted in the United States (â€œU.S. GAAPâ€),and the requirements of the U.S. Securities and Exchange Commission (the â€œSECâ€) for interim reporting. As permitted underthose rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. Accordingly,they do not include all of the information and footnotes normally included in financial statements prepared in conformity with U.S. GAAP.They should be read in conjunction with the consolidated financial statements and notes thereto included in the Companyâ€™s 2023 AnnualReport on Form 10-K, filed with the SEC on March 31,2024 (the â€œForm 10-Kâ€).Â The accompanying condensed consolidated financialstatements are unaudited and include all adjustments (consisting of normal recurring adjustments) that management considers necessaryfor a fair presentation of its condensed financial position and results of operations for the interim periods presented. The results ofoperations for the interim periods are not necessarily indicative of the results that may be expected for the entire year.Â Basis of Presentation and ConsolidationÂ These consolidated financial statements include theaccounts of Splash and its wholly owned subsidiaries Splash Beverage Holdings LLC (â€œHoldingsâ€), Splash International HoldingsLLC (â€œInternationalâ€), Splash Mex SA de CV (â€œSplash Mexâ€), and Copa di Vino Wine Group, Inc. (â€œCopa di Vinoâ€).All intercompany balances have been eliminated in consolidation.Â Our investment in Salt Tequila USA, LLC is accountedfor at cost, as the company does not have the ability to exercise significant influence.Â Our accounting and reporting policies confirm to accountingprinciples generally accepted in the United States of America (GAAP).Â Use of EstimatesÂ The preparation of consolidated financial statementsin conformity with GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilitiesand disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amountsof revenues and expenses during the reporting period. Actual results could differ from those estimates.Â Cash Equivalents and Concentration of CashBalance Â The Company considers all highly liquid securitieswith an original maturity of three months or less to be cash equivalents. The Company had no cash equivalents at September 30, 2024 orDecember 31, 2023.Â Our cash in bank deposit accounts, at times, may exceedfederally insured limits of $250,000. At September 30, 2024, the Company had $120,275 in excess of the federally insured limits. At December31, 2023, the Companyâ€™s cash on deposit with financial institutions, at times, had not exceeded federally insured limits of $250,000.Â 6 Â Â Splash Beverage Group, Inc.Notes to the Condensed Consolidated Financial StatementsÂ Note 2 â€“ Summary of Significant AccountingPolicies, continuedÂ Accounts Receivable and Allowance for DoubtfulAccountsÂ Accounts receivable are carried at their estimatedrecoverable amounts and are periodically evaluated for collectability based on past credit history with clients and other factors. TheCompany establishes provisions for losses on accounts receivable on the basis of loss experience, known and inherent risk in the accountbalance, and current economic conditions. At September 30, 2024 and December 31, 2023, our accounts receivable amounts are reflected netof allowances of $595,305 and $890,631, respectively.Â InventoryÂ Inventory is stated at the lower of cost or net realizablevalue, accounted for using the weighted average cost method. The inventory balances at September 30, 2024 and December 31, 2023 consistedof raw materials, work-in-process, and finished goods held for distribution. The cost elements of inventory consist of purchase of products,transportation, and warehousing. The Company establish provisions for excess or inventory near expiration are based on managementâ€™sestimates of forecast turnover of inventories on hand and under contract. A significant change in the timing or level of demand for certainproducts as compared to forecast amounts may result in recording additional provisions for excess or expired inventory in the future.Provisions for excess inventory are included in cost of goods sold and have historically been adequate to provide for losses on inventory.Â TheCompany manages inventory levels and purchase commitments in an effort to maximize utilization of inventory on hand and under commitments.The amount of our reserve was $227,186 and $290,524 at September 30, 2024 and December 31, 2023, respectively.Â Property and EquipmentÂ The Company records property and equipment at costwhen purchased. Depreciation is recorded for property, equipment, and software using the straight-line method over the estimated economicuseful lives of assets, which range from 3-39 years. Company management reviews the recoverability of all long-lived assets, includingthe related useful lives, whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset might notbe recoverable.Â Depreciation expense totaled $37,043 and $38,242 forthe three months ended September 30, 2024 and September 30, 2023, respectively. For the nine months ended September 30, 2024 and September30, 2023 depreciation expense totaled $111,271 and $98,285 respectively. Property and equipment as of September 30, 2024 and December31, 2023 consisted of the following:Â Schedule of property and equipmentÂ Â Â Â Â Â Â Â Â Â 2024Â 2023 AutoÂ Â 45,420Â Â Â 45,420Â Machinery & equipmentÂ Â 1,165,313Â Â Â 1,160,578Â BuildingsÂ Â 233,323Â Â Â 233,323Â Leasehold improvementsÂ Â 723,638Â Â Â 723,638Â Computer SoftwareÂ Â 5,979Â Â Â 5,979Â Office furniture & equipmentÂ Â 7,657Â Â Â 9,157Â Total costÂ Â 2,181,330Â Â Â 2,178,095Â Accumulated depreciationÂ Â (1,939,564)Â Â (1,828,293) Property, plant & equipment, netÂ Â 241,766Â Â Â 349,802Â Â Excise taxesÂ The Company pays alcohol excise taxes based on productsales to both the Oregon Liquor Control Commission and to the U.S. Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau(TTB). The Company also pays taxes to the State of Florida â€“ Division of Alcoholic Beverages and Tobacco. The Company is liablefor the taxes upon the removal of product from the Companyâ€™s warehouse on a per gallon basis. The federal tax rate is affected bya small winery tax credit provision which decreases based upon the number of gallons of wine production in a year rather than the quantitysold.Â 7 Â Â Splash Beverage Group, Inc.Notes to the Condensed Consolidated Financial StatementsÂ Note 2 â€“ Summary of Significant AccountingPolicies, continuedÂ Fair Value of Financial InstrumentsÂ Financial Accounting Standards (â€œFASBâ€)guidance specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable.Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchygives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) andthe lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:Â Â Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities. Â Â Â Â Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (e.g., quoted prices of similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active). Â Â Â Â Level 3 - Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable. Â The liabilities and indebtedness presented on thecondensed consolidated financial statements approximate fair values at September 30, 2024 and December 31, 2023, consistent with recentnegotiations of notes payable and due to the short duration of maturities and market rates of interest.Â Embedded debt costsin convertible debt instrumentsÂ In August 2020, the FASB issued â€œASU 2020-06,Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedgingâ€"Contracts in Entityâ€™s Own Equity (Subtopic815-40)â€ (â€œASU 2020-06â€) which simplifies the accounting for convertible instruments. The guidance removes certainaccounting models which separate the embedded conversion features from the host contract for convertible instruments. Either a modifiedretrospective method of transition or a fully retrospective method of transition was permissible for the adoption of this standard. UpdateNo. 2020-06 is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Earlyadoption was permitted no earlier than the fiscal year beginning after December 15, 2020. The Company has adopted ASU 2020-06 effectiveJanuary 1, 2024 and has removed the effects of any embedded conversion features from certain of our convertible instruments.Â Revenue RecognitionÂ The Company recognizes revenue under ASC 606, Revenuefrom Contracts with Customers (Topic 606). This guidance sets forth a five-step model which depicts the recognition of revenue in an amountthat reflects what the Company expects to receive in exchange for the transfer of goods or services to customers.Â The Company recognizes revenue when the Companyâ€™sperformance obligations under the terms of a contract with the customer are satisfied. Product sales occur for the Splash Beverage andE-commerce businesses once control of the Companyâ€™s products are transferred upon delivery to the customer. Revenue is measuredas the amount of consideration that the Company expects to receive in exchange for transferring goods, and revenue is presented net ofprovisions for customer returns and allowances. The amount of consideration the Company receives and revenue the Company recognizes varieswith changes in customer incentives offered to the Companyâ€™s customers and their customers. Sales taxes and other similar taxesare excluded from revenue.Â 8 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 2 â€“ Summary of Significant AccountingPolicies, continuedÂ Distribution expenses to transport our products, andwarehousing expense after manufacture are accounted for in Other General and Administrative cost.Â Cost of Goods SoldÂ Cost of goods sold include the costs of products,packaging, transportation, warehousing, and costs associated with valuation allowances for expired, damaged or impaired inventory. Thecost of transportation from production site to other 3rd party warehouses or customer is included in Other General and Administrativecost.Â Other General and Administrative ExpensesÂ Other General and Administrative expenses includesAmazon selling fees, royalty cost for selling TapouT, cost associated with the outbound shipping and handling of finished goods, insurancecost, consulting cost, legal and audit fees, investor relations expenses, travel & entertainment expenses, occupancy cost and othercosts.Â Stock-Based CompensationÂ The Company accounts for stock-based compensationin accordance with ASC 718,Â â€Compensation - Stock Compensationâ€. Under the fair value recognition provisions,cost is measured at the grant date based on the fair value of the award and is recognized as expense ratably over the requisite serviceperiod, which is generally the awardâ€™s vesting period. The Company uses the Black-Scholes option pricing model to determine thefair value of stock-based awards.Â We measure stock-based awards at the grant-date fairvalue for employees, directors and consultants and recognize compensation expense on a straight-line basis over the vesting period ofthe award. Determining the appropriate fair value of stock-based awards requires the input of subjective assumptions, including the fairvalue of our common stock, and for stock options and warrants, the expected life of the option and warrant, and expected stock price volatilityand exercise price. We used the Black-Scholes option pricing model to value its stock-based awards. The assumptions used in calculatingthe fair value of stock-based awards represent managementâ€™s best estimates and involve inherent uncertainties and the applicationof managementâ€™s judgment. As a result, if factors change and management uses different assumptions, stock-based compensation expensecould be materially different for future awards. The expected life of stock options/warrants were estimated using the â€œsimplifiedmethod,â€ which calculates the expected term as the midpoint between the weighted average time to vesting and the contractual maturity,we have limited historical information to develop reasonable expectations about future exercise patterns. The simplified method is basedon the average of the vesting tranches and the contractual life of each grant. For stock price volatility, we use comparable public companiesas a basis for its expected volatility to calculate the fair value of award. The risk-free interest rate is based on U.S. Treasury noteswith a term approximating the expected life of the award. The estimation of the number of awards that will ultimately vest requires judgment,and to the extent actual results or updated estimates differ from the Companyâ€™s current estimates, such amounts are recognized asan adjustment in the period in which estimates are revised.Â Income TaxesÂ The Company uses the liability method of accountingfor income taxes as set forth in ASC 740,Â â€Income Taxesâ€. Under the liability method, deferred taxes are determinedbased on the temporary differences between the financial statement and tax basis of assets and liabilities using tax rates expected tobe in effect during the years in which the basis differences reverse. The Company records a valuation allowance when it is more likelythan not that the deferred tax assets will be realized.Â Company management assesses its income tax positionsand records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information availableat the reporting date. In accordance with ASC 740-10, for those tax positions where there is a greater than 50% likelihood that a taxbenefit will be sustained, our policy is to record the largest amount of tax benefit that is more likely than not to be realized uponultimate settlement with a taxing authority that has full knowledge of all relevant information.Â 9 Â Â Splash Beverage Group, Inc.Â Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 2 â€“ Summary of Significant Accounting Policies, continuedÂ For those income tax positions where there is lessthan 50% likelihood that a tax benefit will be sustained, no tax benefit will be recognized in the financial statements. Company managementhas determined that there are no material uncertain tax positions at September 30, 2024 and December 31, 2023.Â Net income (loss) per shareÂ The net income (loss) per share is computed by dividingthe net income (loss) by the weighted average number of shares of common stock outstanding. Warrants, stock options, and common stockissuable upon the conversion of the Companyâ€™s convertible debt or preferred stock (if any), are not included in the computationif the effect would be anti-dilutive.Â Weighted average number of shares outstanding excludesanti-dilutive common stock equivalents, including warrants to purchase shares of common stock and warrants granted by our Board that havenot been exercised totaling 107,196,348.Â AdvertisingÂ The Company conducts advertising for the promotionof its products. In accordance with ASC 720-35, advertising costs are charged to operations when incurred. For the three months endedSeptember 30, 2024 and September 30, 2023 the Company recorded advertising expenses of $216,359 and $248,512, respectively. The Companyrecorded advertising expense of $403,610 and $1,075,127 for the nine months ended September 30, 2024 and 2023, respectively.Â Goodwill and Intangibles AssetsÂ Goodwill represents the excess of acquisition costover the fair value of the net assets acquired and is not subject to amortization. The Company reviews goodwill annually in the fourthquarter for impairment or when circumstances indicate carrying value may exceed the fair value. This evaluation is performed at the reportingunit level. If a qualitative assessment indicates that it is more likely than not that the fair value is less than carrying value, a quantitativeanalysis is completed using either the income or market approach, or a combination of both. The income approach estimates fair value basedon expected discounted future cash flows, while the market approach uses comparable public companies and transactions to develop metricsto be applied to historical and expected future operating results.Â The gross amounts and accumulated amortization ofthe Companyâ€™s acquired identifiable intangible assets with finite useful lives, included in other intangible assets, net in theaccompanying consolidated balance sheets, were as follows:Â Schedule of intangible assets, netÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â September 30, 2024Â Â Â Â Gross AmountÂ Accumulated AmortizationÂ Amortization Period Finite:Â Â Â Â Â Â Â Â Â Â (in years)Â BrandsÂ

$4,459,000Â Â $1,114,754Â Â Â 15Â Customer RelationshipsÂ Â 957,000Â Â Â 239,250Â Â Â 15Â LicenseÂ Â 360,000Â Â Â 256,738Â Â Â 11Â Total Intangible AssetsÂ $5,776,000Â Â $1,610,742Â Â Â Â Â At the time of acquisition, the Company estimatesthe fair value of the acquired identifiable intangible assets based upon the facts and circumstances related to the particular intangibleasset. Inherent in such estimates are judgments and estimates of future revenue, profitability, cash flows and appropriate discount ratesfor any present value calculations. The Company preliminarily estimates the value of the acquired identifiable intangible assets and thenfinalizes the estimated fair values during the purchase allocation period, which does not extend beyond 12 months from the date of acquisition.The Companyâ€™s amortization expense for acquired identifiable intangible assets with finite useful lives was $98,017 for the threemonths ended September 30, 2024 and 2023. Estimated amortization expense for acquired identifiable intangible assets for fiscal year 2024and the succeeding years is as follows:Â 10 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 2 â€“ Summary of Significant AccountingPolicies, continuedÂ Schedule of estimated amortization expense for acquired identifiable intangible assetsÂ Â Â Â Â Â Â Future Intangible Asset Amortization Expense Fiscal Year:Â Â Â Â Â 2024 (3 months)Â Â $98,017Â 2025Â Â Â 392,068Â 2026Â Â Â 392,068Â 2027Â Â Â 392,068Â 2028Â Â Â 363,580Â ThereafterÂ Â Â 2,527,457Â TotalÂ Â $4,165,258Â Â Long-lived assetsÂ The Company evaluates long-lived assets for impairmentwhen events or changes in circumstances may indicate the carrying amount of the asset group, generally an individual warehouse, may notbe fully recoverable. For asset groups held and used, including warehouses to be relocated, the carrying value of the asset group is consideredrecoverable when the estimated future undiscounted cash flows generated from the use and eventual disposition of the asset group exceedthe respective carrying value. In the event that the carrying value is not considered recoverable, an impairment loss is recognized forthe asset group to be held and used equal to the excess of the carrying value above the estimated fair value of the asset group. For assetgroups classified as held-for-sale (disposal group), the carrying value is compared to the disposal groupâ€™s fair value less coststo sell. The Company estimates fair value by obtaining market appraisals from third party brokers or using other valuation techniques.Â Foreign Currency Gains/LossesÂ Foreign Currency Gains/Losses â€" foreign subsidiariesâ€™functional currency is the local currency of operations and the net assets of foreign operations are translated into U.S. dollars usingcurrent exchange rates. Gains or losses from these translation adjustments are included in the condensed consolidated statement of operationsand other comprehensive gain as foreign currency translation gains or losses. Translation gains and losses that arise from the translationof net assets from functional currency to the reporting currency, as well as exchange gains and losses on intercompany balances, are includedin foreign currency translation in the condensed consolidated statement of operations and comprehensive gain. The Company incurred foreigncurrency translation net gain of $85,074 and $29,406 for the three months ending September 30, 2024 and 2023, respectively and net gainof $77,819 and $12,024 for the nine months ending September 30, 2024 and 2023, respectively.Â Liquidity, Capital Resources and Going Concern ConsiderationsÂ The Companyâ€™s consolidated financial statementshave been prepared on the basis of US GAAP for a going concern, on the premise that the Company is able to meet its obligations as theycome due in the normal course of business. The Company historically has incurred significant losses and negative cash flows from operationsince inception and had net-loss of approximately $14.0 million for nine-month period ended September 30, 2024 and accumulated deficitof approximately $146.8 million through September 30, 2024. During the nine-month period ended September 30, 2024, the Companyâ€™snet cash used in operating activities totaled approximately $6.4 million. Additionally, the Companyâ€™s current liabilities exceedits current assets, and it has a working capital deficit.Â During the year ended December 31, 2023, the Companysustained a net loss of approximately $21.0 million and used cash in operating activities of $10.2 million, which excludes non-cash chargesand financing activities. To date the Company has generated cash flows from issuances of equity and indebtedness.Â 11 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 2 â€“ Summary of Significant AccountingPolicies, continuedÂ The Company received approximately $7.9 millionÂ fromthe issuance of debt for the nine months ending September 30, 2024. This event served to ensure liquidity of the business through September30, 2024.Â Managementâ€™s plans in regard to these mattersinclude actions to sustain the Companyâ€™s operations, such as seeking additional funding to meet its obligations and implement itsbusiness plan. However, there is no assurance that the Company will be successful in implementing its plans or in raising additional funds.If the Company is unable to raise additional funding to meet its working capital needs in the future, it may be forced to delay, reduce,or cease its operations. These conditions raise substantial doubt about the Companyâ€™s ability to continue as a going concern.Â The financial statements do not include any adjustmentsthat might result from the outcome of this uncertainty. If the Company is unable to continue as a going concern, adjustments would benecessary to the carrying values of its assets and liabilities and the reported amounts of revenues and expenses could be materially affected.Â Recent Accounting PronouncementsÂ In August 2020, the FASB issued â€œASU 2020-06,Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedgingâ€"Contracts in Entityâ€™s Own Equity (Subtopic815-40)â€ (â€œASU 2020-06â€) which simplifies the accounting for convertible instruments. The guidance removes certain accountingmodels which separate the embedded conversion features from the host contract for convertible instruments. Either a modified retrospectivemethod of transition or a fully retrospective method of transition was permissible for the adoption of this standard.Â Update No. 2020-06 is effective for fiscal years beginningafter December 15, 2021, including interim periods within those fiscal years. Early adoption was permitted no earlier than the fiscalyear beginning after December 15, 2020. The Company has adopted ASU 2020-06 effective January 1, 2024, the Company recorded approximately$2.2 million as a reduction to the additional paid in capital and added approximately $1.3 million to the opening retained earnings inaccordance with the authoritative guidance under ASU 2020-06.Â All other newly issued but not yet effective accountingpronouncements have been deemed to be not applicable or immaterial to the Company.Â 12 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 3 â€“ Notes Payable, Related PartyNotes Payable, Convertible Bridge Loans Payable, Revenue Financing Arrangements and Bridge Loan PayableÂ Notes payable are generally nonrecourse and securedby all Company owned assets.Â Schedule of notes payableÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Interest RateÂ September 30, 2024Â December 31, 2023 Notes Payable and Convertible Notes PayableÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â In December 2020, the Company entered into a 56- month loan with a company in the amount of $1,578,237. The loan requires payments of 3.75% through November 2022 and 4.00% through September 2025 of the previous monthâ€™s revenue. Note is due September 2025. Note is guaranteed by a related party see note 6.Â Â 17%Â Â 232,776Â Â Â 371,693Â Â Â Â Â Â Â Â Â Â Â Â Â Â In April 2021, the Company entered into a six-month loan with an individual in the amount of $84,000. The loan had an original maturity of October 2021 with principal and interest due at maturity. The loan was extended to April 2025.Â Â 7%Â Â 168,000Â Â Â 168,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In May 2021, the Company entered into a six-month loan with two individuals totaling $60,000. The loan had an original maturity of October 2021 with principal and interest due at maturity. The loan was extended to April 2025.Â Â 7%Â Â 60,000Â Â Â 60,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In August 2022, the Company entered into a 56-months auto loan in the amount of $45,420.Â Â 2.35%Â Â 25,742Â Â Â 32,996Â Â Â Â Â Â Â Â Â Â Â Â Â Â In December 2022, the Company entered into various eighteen-month loans with individuals totaling in the amount of $4,000,000. The notes included 100% warrant coverage. The loans mature in June 2025 with principal and interest due at maturity with conversion price of $1.00 per share.Â Â 12%Â Â 3,600,000Â Â Â 4,000,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In February 2023, the Company entered into a twelve-month loan with an entity in the amount of $2,000,000. The convertible note included the issuance of 1,500,000 shares of common stock. The loan matures in February 2024 with conversion price of $0.85 per share and is non-interest bearing. The loan was extended to May, 2024. As of June 2024, the loan was fully converted.Â Â â€"%Â Â â€"Â Â Â 1,769,656Â Â Â Â Â Â Â Â Â Â Â Â Â Â In May 2023, the Company entered into various eighteen-month loans with individuals totaling in the amount of $800,000. The notes included 50% warrant coverage. The loans mature in November 2024 with principal and interest due at maturity with conversion price of $1.00 per share. The loans were extended to May 2025.Â Â 12%Â Â 800,000Â Â Â 800,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In June 2023, the Company entered into various eighteen-month loans with individuals totaling in the amount of $350,000. The notes included 50% warrant coverage. The loans mature in December 2024 with principal and interest due at maturity with conversion price of $1.00 per share.Â Â 12%Â Â 350,000Â Â Â 350,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In July 2023, the Company entered into a twelve-month loan with an individual in the amount of $750,000. The note included 50% warrant coverage. The loan matures in July 2024 with principal and interest due at maturity with conversion price of $1.00 per share. The loan was fully converted in September 2024.Â Â 12%Â Â â€"Â Â Â 750,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In July 2023, the Company entered into a twelve-month loan with an individual in the amount of $100,000. The note included 50% warrant coverage. The loan originally matures in June 2024 with principal and interest due at maturity with conversion price of $1.00 per share. The loan was extended to January 2025.Â Â 12%Â Â 100,000Â Â Â 100,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In August 2023, the Company entered into a twelve-month loan with an individual in the amount of $300,000. The convertible note included the issuance of 150,000 shares of common stocks. The loan matures in August 2024 with principal due at maturity with conversion price of $0.85 per share and is non-interest bearing. Partial of the note was converted into common stock.Â Â â€"%Â Â 43,000Â Â Â 300,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In October 2023, the Company entered into a three-month loan with an individual in the amount of $500,000. The loan matures in January 2024 with principal and interest due at maturity. The loan was extended to February 2025.Â Â 10%Â Â 500,000Â Â Â 500,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In October 2023, the Company entered into a loan with an individual in the amount of $196,725 The loan matures in March 2024. Note is guaranteed by a related party. As of March 2024, the loan was fully paid off.Â Â â€"%Â Â â€"Â Â Â 91,785Â Â Â Â Â Â Â Â Â Â Â Â Â Â In October 2023, the Company entered into a loan with an individual in the amount of $130,000. The loan requires payment of 17% of daily Shopify sales.Â Â â€"%Â Â 66,278Â Â Â 88,431Â Â Â Â Â Â Â Â Â Â Â Â Â Â In October 2023, the Company entered into a eighteen-month loan with individuals totaling in the amount of $1,250,000. The note included 100% warrant coverage. The loan matures in April 2025 with principal and interest due at maturity with conversion price of $1.00 per share. Partial principal and 1st year interest were converted in September 2024.Â Â 12%Â Â 1,242,635Â Â Â 1,250,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In December 2023, the Company entered into a 2.5-month loan with an individual in the amount of $450,000. The loanÂ had a maturity of March 2024 with principal and interest due at maturity. The loan was extended to February 2025.Â Â 10%Â Â 450,000Â Â Â 450,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â In January 2024, the Company entered into a 18-month loan with an individual in the amount of $250,000. The note included 100% warrant coverage. The loanÂ had a maturity of July 2025 with principal and interest due at maturity with conversion price of $0.50 per share.Â Â 12%Â Â 250,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In February 2024, the Company entered into a 18-month loan with an individual in the amount of $150,000. The note included 100% warrant coverage. The loanÂ had a maturity of August 2025 with principal and interest due at maturity with conversion price of $0.40 per share.Â Â 12%Â Â 150,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In February 2024, the Company entered into a 6-month loan with an individual in the amount of $315,000. The note included 60% warrant coverage. The loanÂ had a maturity of August 2024 with principal and interest due at maturity with conversion price of $0.38 per share. This was extended to July 2025.Â Â 12%Â Â 315,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In

February 2024, the Company entered into a 18-month loan with an entity in the amount of $250,000. The note included 100% warrant coverage. The loan matures in August 2025 with principal and interest due at maturity with conversion price of $0.46 per shareÂ Â 12%Â Â 250,000Â Â Â â€”Â Â Â Â Â Â Â Â Â Â Â Â Â Â In April 2024, the Company entered into a commercial financing agreement in the amount of $815,000 and will be paid weekly until the loan is paid in full.Â Â â€"%Â Â 455,335Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In May 2024, the Company entered into an eighteen-month loan with individuals totaling in the amount of $1,850,000. The note included warrant coverage. The loan matures in November 2026 with principal and interest due at maturity with conversion price of $0.40 per shareÂ Â 12%Â Â 1,850,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In June 2024, the Company entered into a merchant cash advance agreement in the amount of $325,000 to be paid weekly until the loan is paid in full. This loan was paid off in SeptemberÂ Â â€"%Â Â â€"Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In June 2024, the Company entered into a revenue purchase agreement in the amount of $250,000. 4% of revenue will be paid weekly until the loan is paid in full.Â Â â€"%Â Â 228,846Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In July 2024, the Company entered into a revenue purchase agreement in the amount of $178,250. The loan matures in April 2025. 10 equal P&I payments starting in July 2024Â Â 22%Â Â 127,238Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In July 2024, the Company entered into a revenue purchase agreement in the amount of $120,750. The loan matures in May 30, 2025. 1st P&I payment will be starting Jan 2025.Â Â 22%Â Â 120,750Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In August 2024, the Company entered into a 5-year loanwith individuals totaling in the amount of $500,000.The loan matures in September 2029 with principal and interest due at maturity with conversion price of $0.35per shareÂ Â 9%Â Â 500,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In August 2024, the Company entered into a eighteen-monthloan with individuals totaling in the amount of $1,500,000.The loan matures in February 2026 with principal and interest due at maturity with conversion price of $0.38per share.Â Â 12%Â Â 1,500,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In September 2024, we entered into a merchant cash advance agreement in the amount of $325,000 to be paid weekly until the loan is paid in full.Â Â â€"%Â Â 299,731Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â In September 2024, the Company entered into an agreement with individuals totaling in the amount of $590,000Â Â â€"%Â Â 590,000Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Total notes payableÂ Â $14,275,331Â Â $11,082,561Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Less notes discountÂ Â Â (3,977,802)Â Â (2,876,387) Â Â Â Less current portionÂ Â Â (8,974,659)Â Â (7,748,518) Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Long-term notes payableÂ Â $1,322,870Â Â $457,656Â Â 13 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 3 â€" Notes Payable, Related Party Notes Payable, ConvertibleBridge Loans Payable, Revenue Financing Arrangements and Bridge Loan Payable, continuedÂ Interest expense on notes payable was $877,772 and$207,087 for the three months ended September 30, 2024 and 2023, respectively. Interest expense on notes payable was $2,026,523 and $546,849for the nine months ended September 30, 2024 and 2023, respectively.Â The Company recognized approximately $830,200 and approximately $1,125,409of interest expense attributable to the amortization of the debt discount during the three months ended September 30, 2024 and 2023, respectively.The Company recognized approximately $2,730,857 and approximately $2,500,065 of interest expense attributable to the amortization of thedebt discount during the nine months ended September 30, 2024 and 2023, respectively.Â As of September 30, 2024, and December 31, 2023, the balance of the unamortizeddebt discount was $3,534,793 and $1,944,348 respectively. The Company adopted ASU 2020-06 on January 1, 2024, which resulted in the reversalof the original bifurcated derivative (BCF) amount to additional paid in capital for $2,191,103, reversal of the unamortized debt discountrelated to the bifurcated derivative (BCF) for $932,047 with the balance being recorded through retained earnings for $1,259,056.Â Schedule of notes payableÂ Â Â Â Â Â Â Â Â Â Â Â Interest RateÂ September 30, 2024Â September 30, 2023 Shareholder Notes PayableÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â In April 2024, revised Feb 2023 shareholder advance in the amount of $200,000. The annual interest rate is 12% with a conversion price of $0.35 per share. The revised note included 571,429 share of warrant coverage. The loan matures in July 2025 with interest due semi-annually.Â 12%Â Â 200,000Â Â Â 200,000Â Â Â Â Â Â Â Â Â Â Â Â Â Â Less current portionÂ Â (200,000)Â Â (200,000) Â Â Â Â Â Â Â Â Â Â Â Â Â Long-term notes payableÂ $â€"Â Â $â€"Â Â Interest expense on related party notes payable was$6,000 and $0 for the three months ended September 30, 2024 and 2023, respectively. Interest expense on related party notes payable was$11,030 and $0 for the nine months ended September 30, 2024 and 2023, respectively. The Companyâ€™s effective interest rate was 26.71%for the nine months ended September 30, 2024.Â As of September 30, 2024, the Companyâ€™s convertiblenote balances are convertible into 21,620,579 shares of common stockÂ Note 4 â€" Licensing Agreement and RoyaltyPayableÂ The Company has a licensing agreement with ABG TapouT,LLC (â€œTapouTâ€), providing the Company with licensing rights to the brand â€œTapouTâ€ (i)energy drinks, (ii) energybars, (iii) coconut water, (iv) electrolyte gum/chews, (v) energy shakes, (vi) powdered drink mix, (viii) water (including enhanced water),(vii) energy shots, (viii) teas, and (ix) sports drinks sold in the North America (including US Territories and Military Bases), UnitedKingdom, Brazil, South Africa, Australia, Scandinavia, Peru, Colombia, Chile and Guatemala. The Company is required to pay a 6% royaltyon net sales, as defined, and are required to make minimum monthly payments of $55,000 in 2024 and 2023.Â 14 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ The Company has accrued guaranteed minimumroyalty payments of $0for the three months ended September 30, 2024 and $55,000for nine months ended in September 2024. The royalty expense $55,000is included in general and administrative expenses. The Company has reserved $330,000that is included in legal reserve in the condensed consolidated statement of operations and comprehensive loss.Â In connection with the Copa di Vino APA, the Companyacquired the license to certain patents from 1/4 Vin SARL (â€œ1/4 Vinâ€) On February 16, 2018, Copa di Vino entered into threeseparate license agreements with 1/4 Vin. 1/4 Vin has the right to license certain patents and patent applications relating to inventions,systems, and methods used in the Companyâ€™s manufacturing process. In exchange for notes payable, 1/4 Vin granted the Company a nonexclusive,royalty-bearing, non-assignable, nontransferable, terminable license which would continue until the subject equipment is no longer inservice or the patents expire. Amortization is approximately $31,000 annually until the license agreement is fully amortized in 2027.The asset is being amortized over a 10-year useful life.Â Note 5â€" Stockholdersâ€™ Equity Â Common Stock Â On September 29, 2023, the Company entered into asecurities purchase agreement with certain accredited investors. Pursuant to such agreements, the Company sold: (i) senior convertiblenotes in the aggregate original principal amount of $1,250,000, convertible into up to 1,470,588 shares of common stock of the Company,par value $0.001 per share (â€œCommon Stockâ€), subject to adjustments as provided in the Notes, (ii) 625,000 shares of CommonStock (the â€œCommitment Sharesâ€), (ii) warrants to acquire up to an aggregate of 1,250,000 additional shares of Common Stock(the â€œWarrantsâ€) at an exercise price of $0.85 per Warrant Share.Â OnÂ May 1, 2024, the Company entered into a securitiespurchase agreement with certain accredited investors. Pursuant to such agreements, the Company sold: (i) senior convertible notes in theaggregate original principal amount of $1,850,000, convertible into up to 4,625,000 shares of Common Stock, subject to adjustments asprovided in the Notes, (ii) 925,000 shares of Common Stock (the â€œCommitment Sharesâ€), (ii) warrants to initially acquire upto an aggregate of 4,625,000 additional shares of Common Stock (the â€œWarrantsâ€) at an exercise price of $0.85 per WarrantShare.Â During the nine-months ended September 30, 2024, theCompany granted share-based awards to certain consultants totaling 1,639,190 shares of common stock at a weighted average price of $0.24,200,000 shares for extension of note, 15,212,629 shares on conversion of convertible instruments, 925,000 shares on debt discount and290,000 shares for non-cash compensation.Â A convertible promissory note was issued to shareholderon April 15, 2024 for $200,000 at 12% with conversion price of $0.35 per share. The note included 571,429 share of warrantcoverage. The loan matures in July 2025 with principal and interest due semi-annually. Accrued interest of advance $27,370 will be madeon or before August 15, 2024.Â Stock PlanÂ 2020 PlanÂ In July 2020, the Board adopted the 2020 Stock IncentivePlan (the â€œ2020 Planâ€), which provides for the grant of Options, Restricted Stock Awards, Stock Appreciation Rights, PerformanceUnits and Performance Bonuses to consultants and eligible recipients. The total number of shares that may be issued under the 2020 planwas 1,685,825 at the time the 2020 plan was adopted as of September 30, 2024.Â The 2020 Plan has an â€œevergreenâ€ feature,which provides for the annual increase in the number of shares issuable under the plan by an amount equal to 5% of the number of issuedand outstanding common shares at year end, unless otherwise adjusted by the board. At January 1, 2023 and 2024, the number of shares issuableunder the 2020 plan increased by 2,054,276 and 2,984,276 shares, respectively.Â 15 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ In October 2023, the shareholders voted to increasethe number of shares issuable under the Plan to 7.5%.Â The following is a summary of the Companyâ€™sstock option activity:Â Schedule of stock option activityÂ Â Â Â Â Â Â Â OptionsÂ Â September 30, 2024Â September 30, 2023 Â Â Number of OptionsÂ Weighted Average Exercise PriceÂ Number of OptionsÂ Weighted Average Exercise Price Â Â Â Â Â Â Â Â Â Â Balance - January 1*Â Â Â 4,259,008Â Â $1.13Â Â Â 1,151,000Â Â $1.12Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â GrantedÂ Â Â 630,000Â Â Â 0.59Â Â Â 65,000Â Â Â 1.08Â Â ExercisesÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â CancelledÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Balance â€" March 31, Â Â Â 4,889,008Â Â $1.06Â Â Â 1,216,000Â Â $1.12Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â GrantedÂ Â Â 3,855,000Â Â Â 0.33Â Â Â 3,376,008Â Â Â 1.13Â Â ExercisesÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â CancelledÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Balance â€" June 30, Â Â Â 8,744,008Â Â $0.74Â Â Â 4,592,008Â Â $1.13Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â GrantedÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â ExercisesÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â CancelledÂ Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â â€"Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Balance â€" September 30, Â Â Â 8,744,008Â Â $0.74Â Â Â 4,592,008Â Â $1.13Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Exercisable â€" September 30, Â Â Â 6,907,969Â Â $0.82Â Â Â 3,608,923Â Â $1.12Â Â Note 5â€" Stockholdersâ€™ Equity, continuedÂ During the nine-month period ended September 30, 2024and September 30, 2023, the company granted 4,485,000 and 3,441,008 options to employees and directors at weighted average strike priceof $0.33 under the 2020 plan. 1,200,000 shares were granted to CEO, Robert Nistico, 750,000 shares to CMO, William Meissner, 750,000 sharesto CFO, Julius Ivancsits, 600,000 to the Board director, John Paglia and 475,000 shares to Board director, Bill Caple.Â The fair value of stock options granted in the periodhas been measured at $4,485,000 using the Black-Scholes option pricing model with the following assumptions: exercise price $0.33 - $0.53,expected life 5 to 7 years, expected volatility 254%, expected dividends 0%, risk free rate 4.64%.Â Note 6 â€" Related Parties Â During the normal course of business, the Companyincurred expenses related to services provided by the CEO or Company expenses paid by the CEO, resulting in related party payables. Inconjunction with the acquisition of Copa di Vino, the Company also entered into a Revenue Loan and Security Agreement (the â€œLoanand Security Agreementâ€) by and among the Company, Robert Nistico, additional Guarantor and each of the subsidiary guarantors fromtime-to-time party thereto (each a â€œGuarantorâ€, and, collectively, the â€œGuarantorsâ€), and Decathlon Alpha IV,L.P. (the â€œLenderâ€). The Note Payable with a balance of $232,776 at September 30, 2024 and $371,693 at December 31, 2023.Â 16 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ There were related party advances from our chief executiveofficer in the amount of approximately $0.4 million outstanding as of September 30, 2024 and approximately $0.4 million as of December31, 2023. A shareholder note payable outstanding in the amount of $0.2 million as of September 30, 2024.Â Note 7 â€" Investment in Salt Tequila USA,LLCÂ The Company has a marketing and distribution agreementwith SALT Tequila USA, LLC (â€œSALTâ€) for the manufacturing of our Tequila product line in Mexico.Â The Company has a 22.5% percentage ownership interestin SALT, this investment is carried at cost less impairment, the investment does not have a readily determinable fair value. The Companyhas the right to increase our ownership to 37.5%.Â Note 8 â€“LeasesÂ The Company has various operating lease agreements primarily related to realestate and office space. The Companyâ€™s real estate leases represent a majority of the lease liability. Lease payments are mainlyfixed. Any variable lease payments, including utilities, and common area maintenance are expensed during the period incurred. Variablelease costs were immaterial for the quarter ended September 30, 2024 and 2023. A majority of the real estate leases include options toextend the lease. Management reviews all options to extend at the inception of the lease and account for these options when they are reasonablycertain of being exercised.Â Operating lease expense is recognized on a straight-linebasis over the lease term and is included in operating expense on the Companyâ€™s condensed consolidated statement of operations andcomprehensive loss. Operating lease cost was $277,564 and $273,631 during the nine-month period ended September 30, 2024 and 2023, respectively.Â The following table sets for the maturities of ouroperating lease liabilities and reconciles the respective undiscounted payments to the operating lease liabilities in the consolidatedbalance sheet at September 30, 2024Â Schedule of operating lease liabilitiesÂ Â Â Â Undiscounted Future Minimum Lease PaymentsÂ Operating Lease Â Â Â 2024 (three months remaining)Â Â 71,668Â 2025Â Â 287,193Â 2026Â Â 17,857Â TotalÂ Â 360,654Â Amount representing imputed interestÂ Â (13,404) Total operating lease liabilityÂ Â 363,314Â Â Current portion of operating lease liabilityÂ Â 274,574Â Operating lease liability, non-currentÂ $88,740Â Â 17 Â Â Splash Beverage Group, Inc.Â Notes to the Condensed Consolidated FinancialStatementsÂ Note 8 â€“Leases, continuedÂ The table below presents lease-related terms and discountrates at September 30, 2024:Â Schedule of lease related terms and discountratesÂ Â Â Â Remaining term on leasesÂ Â 1 to 21 monthsÂ Incremental borrowing rateÂ Â 5.0% Â Note 9 â€“ Segment Reporting Â The Company has two reportable operating segments:(1) the manufacture and distribution of non-alcoholic and alcoholic brand beverages, and (2) the e-commerce sale of beverages. These operatingsegments are managed separately and each segmentâ€™s major customers have different characteristics. Segment Reporting is evaluatedby our Chief Executive Officer and Chief Financial Officer.Â Note: The Copa di Vino business is included in ourSplash Beverage Group segment.Â Schedule of segmentÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Three Months Ended September 30Â Nine Months Ended September 30 RevenueÂ 2024Â 2023Â 2024Â 2023 Splash Beverage GroupÂ $886,864Â Â $1,104,878Â Â $3,110,551Â Â $4,130,817Â E-CommerceÂ Â 94,994Â Â Â 4,039,191Â Â Â 458,769Â Â Â 12,030,930Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Net revenues, continuing operationsÂ Â 981,858Â Â Â 5,144,069Â Â Â 3,569,320Â Â Â 16,161,747Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Contribution after MarketingÂ Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Splash Beverage GroupÂ Â 6,791Â Â Â (652,727)Â Â 7,886Â Â Â (1,468,564) E-CommerceÂ Â 56,307Â Â Â 1,323,231Â Â Â 45,991Â Â Â 4,198,454Â Total contribution after marketingÂ Â 63,098Â Â Â 670,504Â Â Â 53,877Â Â Â 2,729,890Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Contracted servicesÂ Â 208,211Â Â Â 382,096Â Â Â 628,076Â Â Â 1,094,398Â Salary and wagesÂ Â 1,101,700Â Â Â 1,195,916Â Â Â 3,579,801Â Â Â 3,794,179Â Non-cash share-based compensationÂ Â 186,682Â Â Â 367,244Â Â Â 2,085,671Â Â Â 1,224,101Â Other general and administrativeÂ Â 1,236,098Â Â Â 3,048,779Â Â Â 3,371,139Â Â Â 8,617,013Â Â Loss from continuing operationsÂ $(2,669,593)Â $(4,323,531)Â $(9,664,687)Â $(11,999,801) Â Total assetsÂ September 30, 2024Â December 31, 2023 Splash Beverage GroupÂ Â 8,172,535Â Â Â 9,188,213Â E-CommerceÂ Â 191,755Â Â Â 710,555Â Â Â Â Â Â Â Â Â Â Total assetsÂ $8,364,290Â Â $9,898,768Â Â 18 Â Â Splash Beverage Group, Inc.Notes to the Condensed Consolidated Financial StatementsÂ Note 10 â€“ Commitment and ContingenciesÂ The Company is a party to asserted claims and aresubject to regulatory actions in the ordinary course of business. The results of such proceedings cannot be predicted with certainty,but the Company does not anticipate that the outcome, if any, arising out of any such matter will have a material adverse effect on itsbusiness, financial condition or results of operations.Â On June 5, 2024, the Companyreceived notification from the NYSE American LLC (â€œNYSE Americanâ€) indicating that it is not in compliance withÂ the NYSEAmericanâ€™s continued listing standards under Section 1003(a)(iii) of theÂ NYSE American Company Guide (the â€œCompany Guideâ€),requiringÂ a listed company to have stockholdersâ€™ equity of $6 million or more if the listed company has reported losses fromcontinuing operations and/or net losses in its five most recent fiscal years. The Company is now subject to the procedures and requirementsof Section 1009 of the Company Guide. If the Company is not in compliance with the continued listing standards by April 6, 2025 or ifthe Company does not make progress consistent with the Plan during the plan period, the NYSE American may commence delisting procedures.Â Note 11 â€“ SubsequentEvents Â The notes that matured in October 2024 was extendedby the note holders to April 2025.Â The note that matured in August 2024 was partiallyconverted to common stock in September and the remaining was converted in October 2024.Â In November 2024, the company entered into a merchantcash advance agreement in the amount of $273,600 to be paid weekly until the loan is paid in full.Â Â 19 Â Â ITEM 2. MANAGEMENTâ€™SDISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONSÂ Cautionary Statement Regarding Forward-LookingStatements Â The information in thisdiscussion may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, including statementsregarding our capital needs, business strategy and expectations. Any statements that are not of historical fact may be deemed to be forward-lookingstatements. These forward-looking statements involve substantial risks and uncertainties. In some cases you can identify forward-lookingstatements by terminology such as â€œmay,â€ â€œwill,â€ â€œshould,â€ â€œexpect,â€ â€œplan,â€â€œintend,â€ â€œanticipate,â€ â€œbelieve,â€ â€œestimate,â€ â€œpredict,â€ â€œpotential,â€or â€œcontinueâ€, the negative of the terms or other comparable terminology. Actual events or results may differ materially fromthe anticipated results or other expectations expressed in the forward-looking statements. In evaluating these statements, you shouldconsider various factors, including the risks included from time to time in other reports or registration statements filed with the UnitedStates Securities and Exchange Commission. These factors may cause our actual results to differ materially from any forward-looking statements.The Company disclaim any obligation to publicly update these statements or disclose any difference between actual results and those reflectedin these statements.Â Unless the context otherwiserequires, references in this Form 10-Q to â€œwe,â€ â€œus,â€ â€œour,â€ or the â€œCompanyâ€ refer toSplash Beverage Group and its subsidiaries.Â The following discussion and analysis should be readin conjunction with the Condensed Financial Statements (unaudited) and Notes to Condensed Financial Statements (unaudited) filed herewith.Â Business OverviewÂ Splash Beverage Group, Inc. (the â€œCompanyâ€,â€œSplashâ€) seeks to identify, acquire, and build early stage or under-valued beverage brands that have strong growth potentialwithin its distribution system. Splashâ€™s distribution system is comprehensive in the US and is now expanding to select attractiveinternational markets. Through its division Qplash, Splashâ€™s distribution reach includes e-commerce access to both business-to-business(B2B) and business-to-consumer (B2C) customers. Qplash markets well known beverage brands to customers throughout the US that prefer deliverydirect to their office, facilities; and or homes.Â Results of Operationsfor the Three Months and Nine Months Ended September 30, 2024, compared to Three Months and Nine Months Ended September 30, 2023. Â RevenueÂ Revenues for the three months ended September 30,2024 were approximately $1 million compared to revenues of approximately $5.1 million for the three months ended September 30, 2023. Partof the $4.1 million decrease in sales is due to a decrease in our beverage sales of $0.2 million. Additionally, revenues from our verticallyintegrated B2B and B2C e-commerce distribution platform called Qplash decreased approximately $3.9 million or 97.6% due to low inventory.Total sales declined due to limited liquidity to procure inventory to drive third-party sales.Â Revenue for the nine months ended September 30, 2024 was $3.6 million comparedto revenues of $16.2 million for the nine months ended September 30, 2023. The $12.6 million decrease in sales is driven by decreasesin both the e-commerce and beverage businesses which decreased $11.6 million and $1 million respectively. Qplashâ€™s revenue decreaseddue to low inventory.Â Cost of Goods SoldÂ Cost of goods sold for the three months ended September30, 2024 was $0.7 million compared to cost of goods sold for the three months ended September 30, 2023 of $3.8 million. The $3.1 milliondecrease in cost of goods sold for the three-month period ended September 30, 2024 was driven by decreased sales.Â 20 Â Â Cost of goods sold for the nine months ended September30, 2024 was $2.9 million compared to cost of goods sold for the nine months ended September 30, 2023 of $11.3 million. The $8.5 milliondecrease in cost of goods sold for the nine-month period ended September 30, 2024 was driven by decreased sales in both the e-commerceand beverage business.Â Operating ExpensesÂ Operating expenses for the three months ended September30, 2024 was $3.0 million compared to $5.6 million for the three months ended September 30, 2023 a decrease of $2.6 million. The decreasein operating expenses was primarily due to a reduction in marketing expense, freight cost, Amazon selling fees and the non-cash expenses.Â Operating expenses for the nine months ended September30, 2024 was $10.3 million compared to $16.8 million for the nine months ended September 30, 2023 a decrease of $6.5 million. The decreasein operating expenses was primarily due to marketing expense, contracted services, freight cost and Amazon selling fees partially offsetby increases for the non-cash expenses.Â The net loss for the three months ended September30, 2024 was $4.7 million as compared to a net loss of approximately $5.7 million for the three months ended September 30, 2023. The decreasein net loss is due to lower debt discount expense. The net loss for the nine months ended September 30, 2024 was $14.7 million as comparedto a net loss of approximately $15.0 million for the nine months September 30, 2023. The decrease in net loss is due to lower operatingexpenses partially offset by higher interest expenses.Â Net Other Income and ExpenseÂ Interest expenses for the three months ended September30, 2024 was $0.9 million compared to $0.2 million for the three months ended September 30, 2023. The $0.7 million increase in interestexpense is due to new loans with a principal of $3.2 million. Interest expenses for the nine months ended September 30, 2024 was $2.0million compared to $0.6 million for the three months ended September 30, 2023. The $1.4 million increase in interest expense is due tonew loans with a principal of $7.9 million with higher interest rates.Â There were no significant other expenses for thethree months ended September 30, 2024 and September 30, 2023 respectively. Other expenses were $0 and other income was $0.05 millionfor the nine months ended September 30, 2024 and September 30, 2023 respectively. The income in 2023 was related to an insurancesettlement.Â Amortization of debt discount for the three monthsended September 30, 2024 was approximately $0.8 million compared to $1.1 million for three months ended September 30, 2023. Amortizationof debt discount for the nine months ended September 30, 2024 was approximately $2.7 million compared to $2.5 million for nine monthsended September 30, 2023.Â LIQUIDITY, GOING CONCERN CONSIDERATIONS AND CAPITALRESOURCES Â Liquidity is the ability of a company to generatefunds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. Significant factorsin the management of liquidity are funds generated by operations, levels of accounts receivable and accounts payable and capital expenditures.Â As of September 30, 2024, the Company had total cashand cash equivalents of $456,889, as compared with $379,978 at December 31, 2023.Â Net cash used for operating activities during thenine months ended September 30, 2024 was $6.4 million as compared to the net cash used by operating activities for the nine months endedSeptember 30, 2023 of $8.5 million. The primary reasons for the change in net cash used were reduced operating expenses, prepaid expenseswere allocated.Â Net cash used for investing activities for the periodending September 30, 2024, $1,500 furniture was returned to vendor and $4,735 on purchase of machinery. For the period September 30, 2023,the Company had leasehold improvements of $12,613 related to our Copa Di Vino production site.Â Â 21 Â Â Net cash provided by financing activities during thenine months ended September 30, 2024 was $6.4 million compared to $4.4 million provided from financing activities for the nine monthsended September 30, 2023. During the nine months ended September 30, 2024, the Company received $7.9 million for convertible note, whichwas offset by repayments to debt holders of $1.5 million and $0.01 million to related party cash advance.Â In order to have sufficient cash to fund our operations,the Company will need to raise additional equity or debt capital. There can be no assurance that additional funds will be available whenneeded from any source or, if available, will be available on terms that are acceptable to us. The Company will be required to pursuesources of additional capital through various means, including debt or equity financings. Future financings through equity investmentsare likely to be dilutive to existing stockholders. Also, the terms of securities the Company may issue in future capital transactionsmay be more favorable for new investors. Newly issued securities may include preferences, superior voting rights, the issuance of warrantsor other derivative securities, and the issuances of incentive awards under equity employee incentive plans, which may have additionaldilutive effects. Further, the Company may incur substantial costs in pursuing future capital and/or financing, including investment bankingfees, legal fees, accounting fees, printing and distribution expenses and other costs. The Company may also be required to recognize non-cashexpenses in connection with certain securities the Company may issue, such as convertible notes and warrants, which will adversely impactour financial condition. Our ability to obtain needed financing may be impaired by such factors as the capital markets and our historyof losses, which could impact the availability or cost of future financings. If the amount of capital the Company are able to raise fromfinancing activities together with our revenues from operations, is not sufficient to satisfy our capital needs, even to the extent thatthe Company reduce our operations accordingly, the Company may be required to curtail or cease operations. As a result, there is uncertaintyregarding the Companyâ€™s ability to maintain liquidity sufficient to operate its business effectively, which raises substantial doubtas to the Companyâ€™s ability to continue as a going concern for at least twelve months from the date of the consolidated financialstatements being available to be issued.Â CONTRACTUAL OBLIGATIONSÂ Minimum Royalty Payments:Â The Company has a licensing agreement with ABG TapouT,LLC (â€œTapouTâ€). Under the licensing agreement, the Company has minimum royalty payments to TapouT of $55,000 per month, $495,000was reserved in the nine months of September 2024.Â Inventory Purchase Commitments:Â None.Â Off-Balance Sheet ArrangementsÂ The Company do not have any off-balance sheet arrangements(as that term is defined in Item 303 of Regulation S-K) that are reasonably likely to have a current or future material effect on ourfinancial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.Â Critical Accounting EstimatesÂ The preparation of our consolidatedfinancial statements in conformity with accounting principles generally accepted in the United States of America requires management tomake estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses, as well as the disclosureof contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that arebelieved to be reasonable under the circumstances. Actual results could differ from those estimates.Â 22 Â Â RevenueÂ The Companyfaces significant judgment in revenue recognition due to the complexities of the beverage industryâ€™s competitive landscape and diversedistribution channels. Determining the timing of revenue recognition involves assessing factors such as control transfer, returns, allowances,trade promotions, and distributor sell-through data. Historical analysis, market trends assessment, and contractual term evaluations informrevenue recognition judgments. However, inherent uncertainties persist, underscoring the critical nature of revenue recognition as itsignificantly impacts financial statements and performance evaluation.Â Allowance for Doubtful AccountsÂ The allowance for doubtfulaccounts is established based on historical experience, current economic conditions, and specific customer collection issues. Managementevaluates the collectability of accounts receivable on an ongoing basis and adjusts the allowance as necessary. Changes in economic conditionsor customer creditworthiness could result in adjustments to the allowance for doubtful accounts, impacting our reported financial results.Â Inventory ValuationÂ We value inventory at thelower of cost or net realizable value. Estimating the net realizable value of inventory involves significant judgment, particularly whenmarket conditions change rapidly or when excess or obsolete inventory exists. Management regularly assesses inventory quantities on hand,future demand forecasts, and market conditions to determine whether write-downs to inventory are necessary.Â Fair Value MeasurementsÂ We measure certain financial assets and liabilities at fair value on arecurring basis. Fair value measurements involve significant judgment and estimation, particularly when observable inputs are limitedor not available. Management utilizes valuation techniques such as discounted cash flow models, market comparable, and third-party appraisalsto determine fair values.Â ITEM 3. QUANTITATIVE ANDQUALITATIVE DISCLOSURES ABOUT MARKET RISKÂ Not required for SmallerReporting Companies.Â ITEM 4. CONTROLS AND PROCEDURESÂ Evaluation of Disclosure Controls and ProceduresÂ Our management, with theparticipation of the principal executive and principal financial officers, evaluated the effectiveness of our disclosure controls andprocedures, as defined in Rules 13a â€“ 15(e) and 15d â€“ 15(e) under the Securities Exchange Act of 1934, as amended, or ExchangeAct, as of the end of the period covered by this Report. Our disclosure controls and procedures are designed to provide reasonable, notabsolute, assurance that the objectives of our disclosure control system are met. Because of inherent limitations in all control systems,no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Basedon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, because of certain material weaknessesin our internal controls over financial reporting, our disclosure controls and procedures were not effective as of September 30,2024. The material weaknesses relate to a lack of segregation of duties between accounting and other functions and the absence of sufficientdepth of in-house accounting personnel with the ability to properly account for complex transactions.Â The Company plans toimplement additional internal controls or enhance existing internal controls to strengthen its control environment. Subsequentto the quarterÂ ended September 30, 2024, the company is reviewing a plan to engage additional internal staff, external staff, oran advisory firm to provide support on technical issues related to U.S. GAAP as related to the maintenance of our accounting books andrecords and the preparation of our financial statements.Â Changes in Internal ControlOver Financial Reporting Â Except with respect to theabove, during the quarter ended September 30, 2024, there were no additional changes in our internal control over financial reportingthat have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.Â 23 Â Â PART II â€“ OTHER INFORMATIONÂ ITEM 1. LEGAL PROCEEDINGS.Â From timeto time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigationis subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business.Except for the litigation disclosed below, we are not currently a party to any legal or arbitration proceeding the outcome of which, ifâ€˜determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect onour business, operating results, cash flows, or financial condition.Â On August 14, 2024, TapouT, LLC,a subsidiary of Authentic Brands Group, LLC (â€œABGâ€), filed a Complaint (the â€œComplaintâ€) against the Company inthe Supreme Count of New York for New York County (the â€œCourtâ€). The Complaint pertains to breach of a certain licensing agreementdated December 8, 2011 (the â€œLicensing Agreementâ€), under which the Company became a successor in interest on July 1, 2013,pursuant to an amendment to the Licensing Agreement.Â ABG alleges that as a result of an unpaid invoice they had exercised theirright pursuant to section 22 of the Licensing Agreement to terminate the Licensing Agreement. ABG alleges that as a result of the aforementionedtermination, pursuant to the Licensing Agreement, they are owed all unpaid fees and other amounts payable become immediately due. As aresult, ABG have brought two causes of action, the first being breach of contract for the unpaid invoice and the second for accounts statedfor all unpaid fees and other amounts payable. TapouT, LLC is seeking $1,400,000 for termination of the LicensingAgreement. The Company (Splash Beverage Group) does not view this as a reasonable amount given thatthe Company believes TapOut LLC did not fulfill their obligationspursuant the Licensing Agreement.Â The Company believes the case will be settled for a lower amount and has booked a legal reserve of $330,000 as the estimate forthe potential liability. Â Â On November12, 2024, the Company filed a motion to compel mediation that is pending before the Court.Â The Company intends to take all necessary steps to continue to vigorouslydefend against the action.Â ITEM 1A. RISK FACTORSÂ No new risk factors noted since our Annual Reporton Form 10-K for the year ended December 31, 2023 was filed with the SEC.Â ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIESAND USE OF PROCEEDSÂ None.Â ITEM 3. DEFAULTS UPON SENIOR SECURITIESÂ None.Â ITEM 4. MINE SAFETY DISCLOSURESÂ No disclosure required.Â ITEM 5. OTHER INFORMATIONÂ Rule 10b5-1 Trading ArrangementÂ During the nine months ended September 30, 2024,no director or officer of the Company adopted or terminated a â€œRule 10b5-1 trading arrangementâ€ or â€œnon-Rule 10b5-1trading arrangement,â€ as each term is defined in Item 408(a) of Regulation S-K.Â 24 Â Â ITEM 6. EXHIBITSÂ (a) Exhibits required by Item 601of Regulation S-K.Â Exhibits Â DescriptionÂ Â Â Â 4.1 Â Form of Warrant (as filed with the SEC on Form 8-K as Exhibit 4.4 on October 22, 2024) 4.2 Â Form of August Warrant (as filed with the SEC on Form 8-K as Exhibit 4.1 on October 22, 2024) 4.3 Â For of Warrant (as filed with the SEC on Form 8-K as Exhibit 4.1 on August 26, 2024) 10.1 Â Form of August Purchase Agreement (as filed with the SEC on Form 8-K as Exhibit 10.1 on October 22, 2024) 10.2 Â Form of August Registration Rights Agreement (as filed with the SEC on Form 8-K as Exhibit 10.3 on October 22, 2024) 10.3 Â Form of August Note (as filed with the SEC on Form 8-K as Exhibit 10.2 on October 22, 2024) 10.4 Â Form of the Purchase Agreement (as filed with the SEC on Form 8-K as Exhibit 10.10 on October 22, 2024) 10.5 Â Form of the Note (as filed with the SEC on Form 8-K as Exhibit 10.11 on October 22, 2024) 10.6 Â Form of the Subscription Agreement(as filed with the SEC on Form 8-K as Exhibit 10.2 on October 22, 2024) 10.7 Â Form of the Purchase Agreement (as filed with the SEC on Form 8-K as Exhibit 10.1 on August 26, 2024) 10.8 Â Form of the Note (as filed with the SEC on Form 8-K as Exhibit 10.2 on August 26, 2024) 31.1 Â Certification of CEO and Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)* 31.2 Â Certification of CFO and Principal Financial and Accounting Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a)* 32.1 Â Certification of CEO and Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Filed herewith electronically** 32.2 Â Certification of CFO and Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Filed herewith electronically** 101 Â XBRL Exhibits Â * Filed herewithÂ ** Furnished herewithÂ 25 Â Â SIGNATURES Â Pursuant to the requirements ofthe Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereuntoduly authorized.Â Â SPLASH BEVERAE GROUP, INC. Â Â Â Date: November 15, 2024 By: /s/ Robert Nistico Â Â Robert Nistico, Chairman and CEO Â Â (Principal Executive Officer) Â Â Â Date: November 15, 2024 By: /s/ Julius Ivancsits Â Â Julius Ivancsits, CFO Â Â (Principal Accounting Officer and Principal Financial Officer)Â Â 26Â Â Â Exhibit 31.1Â CERTIFICATION OF CHIEF EXECUTIVE OFFICERPURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACTOF 2002Â I, Robert Nistico, certify that:Â 1. I have reviewed this quarterlyreport on Form 10-Q of Splash Beverage Group Inc.;Â 2. Based on my knowledge, thisreport 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;Â 3. Based on my knowledge, the financialstatements, 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 of the registrant as of, and for, the periods presented in this report;Â 4. The registrantâ€™s othercertifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange ActRules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)for the registrant and have:Â (a) Designed such disclosure controlsand procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material informationrelating to the registrant is made known to us by others within the registrant, particularly during the period in which this report isbeing prepared;Â (b) Designed such internal controlover financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonableassurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordancewith generally accepted accounting principles;Â (c) Evaluated the effectivenessof the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of thedisclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andÂ (d) Disclosed in this report anychange in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscalquarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonablylikely to materially affect, the registrantâ€™s internal control over financial reporting; andÂ 5. The registrantâ€™s othercertifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™sauditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):Â (a) All significant deficienciesand material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adverselyaffect the registrantâ€™s ability to record, process, summarize and report financial information; andÂ (b) Any fraud, whether or not material,that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Â Date: November 15, 2024 Â Â Â /s/ Robert Nistico Â Robert Nistico Â Chief Executive Officer Â (Principal Executive Officer) Â Â Â Â Â Exhibit 31.2Â CERTIFICATION OF CHIEF FINANCIAL OFFICERPURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACTOF 2002Â I, Julius Ivancsits, certify that:Â 1. I have reviewed this quarterlyreport on Form 10-Q ofÂ Splash Beverage Group Inc.;Â 2. Based on my knowledge, thisreport 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;Â 3. Based on my knowledge, the financialstatements, and other financial information included in this annual report, fairly present in all material respects the financial condition,results of operations and cash flows of the of the registrant as of, and for, the periods presented in this report;Â 4. The registrantâ€™s othercertifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange ActRules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)for the registrant and have:Â (a) Designed such disclosure controlsand procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material informationrelating to the registrant is made known to us by others within the registrant, particularly during the period in which this report isbeing prepared;Â (b) Designed such internal controlover financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonableassurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordancewith generally accepted accounting principles;Â (c) Evaluated the effectivenessof the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of thedisclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; andÂ (d) Disclosed in this report anychange in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscalquarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonablylikely to materially affect, the registrantâ€™s internal control over financial reporting; andÂ 5. The registrantâ€™s othercertifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™sauditors and the audit committee of the registrantâ€™s board of directors (or persons performing the equivalent functions):Â (a) All significant deficienciesand material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adverselyaffect the registrantâ€™s ability to record, process, summarize and report financial information; andÂ (b) Any fraud, whether or not material,that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting.Â Date: November 15, 2024 Â Â Â /s/ Julius Ivancsits Â Julius Ivancsits Â Chief Financial Officer Â (Principal Accounting Officer and Principal Financial Officer) Â Â Â Â Â Exhibit 32.1Â CERTIFICATION OF CHIEF EXECUTIVE OFFICERPURSUANT TO 18 U.S.C. SECTION 1350AS ADOPTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002Â In connection with the Form 10-QofÂ Splash Beverage Group Inc., a company duly formed under the laws of Nevada (the â€œCompanyâ€), for the quarter endedJune 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the â€œReportâ€), Robert Nistico, President(Chief Executive Officer) of the Company, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best ofhis knowledge, that:Â (1) The Report fully complies withthe requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; andÂ (2) The information contained inthe Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â Date: November 15, 2024 /s/ Robert Nistico Â Robert Nistico, Chief Executive Officer(Principal Executive Officer)Â Â This certification accompanies this Report pursuantto Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemedfiled by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.Â Â Â Â Â Exhibit 32.2Â CERTIFICATION OF CHIEF FINANCIAL OFFICERPURSUANT TO 18 U.S.C. SECTION 1350AS ADOPTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002Â In connection with the Form 10-Qof Splash Beverage Group, Inc., a company duly formed under the laws of Nevada (the â€œCompanyâ€), for the quarter endedÂ June30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the â€œReportâ€), Julius Ivancsits, ChiefFinancial Officer of the Company, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of her knowledge,that:Â (1) The Report fully complies withthe requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; andÂ (2) The information contained inthe Report fairly presents, in all material respects, the financial condition and results of operations of the Company.Â Date: November 15, 2024 /s/ Julius Ivancsits Â Julius IvancsitsChief Financial Officer(Principal Accounting Officer and Principal Financial Officer)Â Â This certification accompanies this Report pursuantto Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemedfiled by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.Â Â Â