



# Koios Announces Corporate Update on Sales and Distribution Progress

VANCOUVER, March 19, 2019 /CNW/ - Koios Beverage Corp. (CSE: KBEV; OTC: KBEVF) (the "Company" or "Koios"), is pleased to provide a corporate update on sales and distribution.

## **Retail Distribution and Sales Progress**

During Q1 of 2019, Management's priorities and main focus were to secure major retail distribution and to drive sales through its e-commerce and Amazon platforms. During the first quarter, Koios secured supplier agreements with two of the largest retailers in the world and added an additional 4,000 retail locations carrying its products across the United States. Purchase orders from February 1, 2019 through March 13, 2019 total more than CAD\$734,876 excluding online revenue. The figures mentioned above encompass all of the Company's current retail and wholesale partners. Based on the success of sales obtained from its current channels and conversations with its retail partners, Management estimates that it will add an additional 2,500 retail locations carrying its products across the United States in Q2 of 2019.

Additional success and sales velocity have been substantial in smaller retailers with the Company surpassing industry standard sell through rates with companies such as Alfafa's, Locals Grocery, Tony's Meats, Go Fresh and specialty stores across the country. Despite the Company's recent success securing nationwide retailers, Management intends to devote additional resources to ensure success in this natural channel. These types of smaller retail stores are incubators for brands that cater to early adopters, who can become lifelong advocates of the brand. The Company will secure the assistance of natural food brokers to assist in replenishment and store retention.

Our digital reach has also increased substantially with each of our large retail partners having added Koios to their digital portfolios allowing consumers to purchase from their ecommerce platforms. There has been a substantial increase during Q1 in ecommerce sales through these two specific outlets.

Additionally, the Company expects to release its updated E-commerce and sales platform in May 2019, to service its over 7,000 active clients and audience of over 18,000 followers on Instagram. The Company will be adding a subscription service to its website that will add greater value to its core customer base and will help generate reoccurring revenues monthly. Management will also be adding built in wholesale functions to increase efficiencies with its retail partners, as well as adding its own proprietary software management system to enhance communication in real time with its sales teams, suppliers and partners.

Management anticipates that streamlining the website will allow for greater volume, revenue, increased efficiencies, increased margins and increased customer retention and attention.

An additional priority of the Company during Q1 2019 was to build an efficient and effective Amazon platform. We partnered with WishingUWell, a chosen Amazon partner to optimize our Amazon store front and approach to keep us highly competitive. Once launched in May 2019, customers from all over North America will be able to order any of the Company's products through Amazon Prime.

The Company is actively vetting several natural food and beverage brokers. The added sales team will allow the Company to:

- Implement new brand launches to ensure a smooth and comprehensive approach regionally and nationally;
- Increase oversight to ensure the proper and complete updating of information in our database applications;
- Assist scheduling and oversight of brand training for in-store sales associates to ensure depth and quality of the product / brand knowledge;
- Help develop efficient trade-spend plans that drive sales and boost promotional volume;
- Provide timely updates regarding retail appointments, in-store conditions, sales trends, retail execution and results;
- Develop retailer and category review strategies, monthly/quarterly goals and priorities;
- Track category trends and competitive analysis of sales; and
- Coordinate market tours and SPIFF programs.

The Company intends to use this momentum to build further on its already established sales team, executive team and advisory board.

### **Private Placement Equity Financing**

The Company is pleased to announce that it has closed a non-brokered private placement consisting of 16,666,664 units (each, a "Unit") of the Company issued at a price of CAD\$0.30 per Unit for total gross proceeds of CAD\$5,000,000.

Each Unit is comprised of one common share (each, a "Share") and one-half of one transferable Share purchase warrant (each whole Share purchase warrant being a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Share at a price of CAD\$0.50 for a period of one year from the date of issuance.

The Warrants are subject to an acceleration clause such that if the closing price of the Shares of the Company is CAD \$0.75 or higher for ten consecutive trading days at any time after the closing date of the private placement, the Company may accelerate the expiry date of the Warrants by giving notice to the holders thereof, and in such case, the Warrants will expire on the 30th day after the date on which the notice is given to the holder.

Finder's fees of \$157,450.98 cash and 524,836 finder's warrants (each, a "Finders Warrant") have been paid to qualified parties. Each Finders Warrant is exercisable at a price of CAD\$0.30 for a period of one year from the date of issuance.

The Company intends to use the proceeds from the private placement for production, general working capital and brand marketing. The Company will be in a financially strong position to execute its sales and distribution plan through 2019 and 2020.

All securities issued in connection with the private placement are subject to a statutory hold period of four months and one day from the date of issuance.

None of the securities issued in connection with the private placement have been registered under the *United States Securities Act of 1933*, as amended (the "1933 Act"), and none of them have been offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

Following the close of the private placement, the Company is in a strong asset position with approximately CAD\$6,500,000 in working capital. There are 75,868,491 Shares issued and outstanding and there are collectively 35,820,764 warrants and stock options outstanding, which could result in proceeds of \$5,318,372 to the Company if all are exercised in full.

On behalf of the Board of Directors of the Company.  
KOIOS BEVERAGE CORP.

"Chris Miller"

Chris Miller, CEO, and Director

### **About Koios Beverage Corp.**

The Company is an emerging functional beverage company which has an available distribution network of more than 5,000 retail locations across the United States in which to sell its products. Koios has relationships with some of the largest and most reputable distributors in the United States, including Europa Sports, Muscle Foods USA, KeHE, and Wishing-U-Well. Koios is also the sole owner of Cannavated Beverage Corp., a subsidiary that develops beverage products and formulas for the growing CBD market. Koios uses a proprietary blend of nootropics and natural organic compounds to enhance human productivity without using harmful chemicals or stimulants. Koios products have been shown to enhance focus, concentration, mental capacity, memory retention, cognitive function, alertness, brain capacity and create all day mental clarity. Its ingredients are specifically designed to target brain function by increasing blood flow, oxygen levels and neural connections in the brain.

Koios produces one of the only drinks in the world infused with MCT oil. MCT oil is derived from coconuts and has been shown to help the body burn fat more effectively, create lasting energy from a natural food source, produce ketones in the brain, allowing for greater brain function and clarity, support healthy hormone production and improve immunity. For more information, please visit our website: <https://www.koiosbeveragecorp.com>.

### **Forward-Looking Statements**

*This news release contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements in this news release include statements regarding: Management's ability to add an additional 2,500 retail locations carrying its products across the United States in Q2 of 2019; the Company's intention to devote additional resources to ensure success in the natural channel of smaller retailers; that early adopters of a brand can become lifelong advocates of that brand; that the Company will secure the assistance of natural food brokers to assist in replenishment and store retention; that the Company expects to release its updated E-commerce and sales platform in May 2019; that the Company will be adding a subscription service to its website that will add greater value to its core customer base and will help generate reoccurring revenues monthly; that Management will also be adding built in wholesale functions to increase efficiencies with its retail partners, as well as adding its own proprietary software management system to enhance communication in real time with its sales teams, suppliers and partners; success that the Company anticipates it will receive by streamlining its website to allow for greater volume, revenue, increased efficiencies, increased margins and increased customer retention and attention; that partnering with WishingUWell will keep the Company highly competitive; increased sales that the Company will realize on its Amazon platform by partnering with WishingUWell to optimize its Amazon store front and approach and give customers from all over North America the ability to order any of the Company's products through Amazon Prime, once launched in May 2019; the Company's ability to retain several natural food and beverage brokers; that the added sales team will allow the Company to implement new brand launches to ensure a smooth and comprehensive approach regionally and nationally, increase oversight to ensure the proper and complete updating of information in our database applications, assist scheduling and oversight of brand training for in-store sales associates to ensure depth and quality of the product / brand knowledge, help*

*develop efficient trade-spend plans that drive sales and boost promotional volume, provide timely updates regarding retail appointments, in-store conditions, sales trends, retail execution and results, develop retailer and category review strategies, monthly/quarterly goals and priorities, track category trends and competitive analysis of sales, and coordinate market tours and SPIFF programs; the Company's intention to use its momentum to build further on its already established sales team, executive team and advisory board; statements pertaining to the intended use of proceeds and the closing of the private placement; that the Company will be in a financially strong position to execute its sales and distribution plan through 2019 and 2020; statements with respect to potential proceeds to the Company if all warrants and stock options outstanding were to be exercised in full; statements with respect to the growth and size of the functional beverage and CBD infused beverage markets; and statements regarding the business of the Company. The forward-looking statements reflect management's current expectations based on information currently available and are subject to a number of risks and uncertainties that may cause outcomes to differ materially from those discussed in the forward-looking statements. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. Factors that could cause actual results or events to differ materially from current expectations include: adverse market conditions; changes to the growth and size of the functional beverage and CBD infused beverage markets; consumer acceptance and adoption of functional beverages and CBD infused beverages as compared to other beverages and the possibility consumers may not embrace functional beverages or CBD infused beverages as expected or at all; the extent to which the Company is successful in gaining new long-term relationships with new retailers and retaining existing relationships with retailers; the fact that the Company does not own or operate any of its production facilities and that co-packers may not renew current agreements and/or not satisfy increased production quotas; the potential for supply chain interruption due to factors beyond the Company's control; the possibility that there may be a recall of products due to unintended contamination; competition in the industry in which the Company operates; the Company's ability to raise the additional funding that it may need to continue to pursue its business; and other factors beyond the control of the Company. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by applicable law.*

*Koios has not conducted any scientific studies on the effects of Koios' products which have been evaluated by Health Canada or the U.S. Food and Drug Administration. As each individual is different, the benefits, if any, of taking Koios' products will vary from person to person. No claims or guarantees can be made as to the effects of Koios' products on an individual's health and wellbeing.*

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CNW 07:00e 19-MAR-19

