



Koios Provides FQ2 2020 Summary Including Improved Financials and Updates Regarding New Developments

Koios is delighted to report positive updates regarding its financial performance in its FQ2 2020, in which it saw revenue growth of 48.7%, a 46.84% increase in gross margin, and reductions in several expense categories. The Company also provides a summary of developments made in FQ2 2020, including the new announcement of an all-natural variant of the Fit Soda™ line of functional beverages that was developed during this period.

DENVER and VANCOUVER, March 31, 2020 /CNW/ - **Koios Beverage Corp. (CSE: KBEV; OTC: KBEVF) (the "Company" or "Koios")** hereby provides an overview of its financial status as at the end of its second quarter for the interim period ended November 30, 2019 ("FQ2 2020"), in addition to a summary of accomplishments made during this period and subsequently. The Company's management is pleased to report significant growth in revenue, improvements to gross margin, reduced expenses, and strong cash holdings with minimal debt liabilities. With the recent addition of new products and an expansion of the Company's retail and distribution footprint, the Company believes its financial performance in FQ2 2020 foreshadows strong performance in the near future.

Highlights from the Company's unaudited condensed interim consolidated financial statements for the six-month period ended November 30, 2019 and 2018, filed on SEDAR as at January 29, 2020 are listed below. Unless otherwise noted, all figures reflect data for the three-month period at the end of the Company's FQ2 2020 (November 30, 2019), and are expressed in US dollars:

- Cash holdings were \$1,884,508 in FQ2 2020, 26.3% lower than FQ1 2020 cash holdings of \$2,557,388. Total liabilities were \$318,669, 2.58% lower than FQ1 2020 liabilities of \$327,138.
- The cost of sales increased by 3.57% from \$136,257 in FQ1 2020 to \$141,122 in FQ2 2020, though this was offset by a 48.7% increase in revenue in the same periods from \$178,520 to \$265,467 resulting in a significant increase to the Company's gross margin as described below.
- Gross margin was 46.84%, compared to FQ1 2020 in which gross margin was 23.67%¹.
- From FQ1 2020 to FQ2 2020, the Company reduced its expenses in several categories to include office (by 86.4%), professional fees (by 80.5%), and rent (by 7.3%)
- Overall, the Company's general and administration expenses increased by 27.36% from \$765,952 in FQ1 2020 to \$975,541 in FQ2 2020, including a 12.5% increase in the corporate development category from \$452,937 in FQ1 2020 to \$509,546 in FQ2 2020.

¹ This gross margin improvement can be attributed to the Company's ability to benefit from economies of scale in its operations, in addition to re-negotiating preferable terms with suppliers and co-packing facilities. The Company also increased its focus on direct-to-consumer sales, which also positively impacted its gross margin in this period.

Koios encourages readers to review the The Company's unaudited condensed interim consolidated financial statements for the six-month period ended November 30, 2019 and 2018 and accompanying MD&A for the same period as filed on SEDAR January 29, 2020 prior to drawing any conclusions or taking any action based on the data provided in the highlights above. These documents may be found under the Company's SEDAR profile at <http://sedar.com>

Koios made several other key developments during its FQ2 2020 and subsequently.

Re-Engagement with Muscle Foods

In a press release dated November 14, 2019, Koios announced that following previous engagements in 2015 and 2016, it had re-engaged with sports nutrition and health product distributor Muscle Foods USA, LLC ("**Muscle Foods**") under revised terms. Under this engagement, Muscle Foods will distribute Koios' entire product line. Muscle Foods has approximately 4,000 retail accounts, giving Koios a significant opportunity to obtain new retail placements.

Growth of Online Customer and Subscriber Database

Following the launch of Koios' new website on November 5, 2019, the Company amassed a base of approximately 2,000 new subscribers at the end of FQ2 2020 between users who made single-order purchases and users who purchased subscriptions to benefit from automated delivery and product discounts. This user base has grown to more than 60,000 users as of February 2020, suggesting that the Company's updated website is efficiently converting visitors from its recent and current promotional efforts.

Development of an All-Natural Fit Soda™ Variant

In its FQ2 2020, the Company began development of a variant of its *Fit Soda*™ functional beverage product containing only natural ingredients to better align with the preferences of select customer segments. More information regarding this variant of *Fit Soda*™ will be announced in a future press release.

Koios CEO Chris Miller commented, "We are thrilled to have made such great strides in our FQ2 2020, both in terms of development milestones and in progress that can be expressed on our balance sheet. After releasing *Fit Soda*™ in July of 2019, its positive reception led us to release two more flavours and develop a whole new line with all-natural ingredients to better serve our base of users. With new distribution partnerships, and a revised website that has seen excellent performance to date, I believe we are positioned very well all-around when it comes to steadily continuing our growth in FQ3 2020 and beyond."

The Company is also pleased to announce that it intends to extend the term of 15,002,505 share purchase warrants (the "**Warrants**"). The original term of the Warrants was two years and expires on April 25, 2020. The Company proposes to extend the expiry date for a period of one year to April 25, 2021. In all other respects the terms of the Warrants will remain unchanged and in full force and effect.

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 4,400 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 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 includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These forward-looking statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions, estimates and assumptions of management in light of management's experience and perception of historical trends, current conditions and expected developments at the date the statements are made, such as current and future market conditions, the current and future regulatory environment and future approvals and permits. Forward-looking statements are subject to a variety of risks, uncertainties and other factors that management believes to be relevant and reasonable in the circumstances could cause actual events, results, level of activity, performance, prospects, opportunities or achievements to differ materially from those projected in the forward-looking statements, including general business and economic conditions, changes in laws and regulations, product demand, changes in prices of required commodities, competition and other risks, uncertainties and factors set out under the heading "Risk Factors" in the Company's annual financial statements and accompanying management discussion and analysis dated September 30, 2019 (the "Financial Statements") and filed with Canadian securities regulators available on the Company's issuer profile on SEDAR at www.sedar.com. The Company cautions that the list of risks, uncertainties and other factors described in the Financial Statements is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such information. The Company is under no obligation, and 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 expressly required by applicable securities laws.

The statements in this news release have not been evaluated by Health Canada or the U.S. Food and Drug Administration. As each individual is different, the benefits, if any, of taking the Company's products will vary from person to person. No claims or guarantees can be made as to the effects of the Company's products on an individual's health and well-being. The Company's products are not intended to diagnose, treat, cure, or prevent any disease.

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