

# Form 51-102F3

## *Material Change Report*

**Item 1**            **Name and Address of Company**

**Koios Beverage Corp. (the “Issuer”)**  
810 – 789 West Pender Street  
Vancouver, British Columbia  
V6C 1H2

**Item 2**            **Date of Material Change**

**July 16, 2020**

**Item 3**            **News Release**

The news release was disseminated on **March 5, 2020** by way of the facilities of CNW Group Ltd. The news release was also filed on SEDAR and posted to the Issuer’s disclosure hall with the CSE.

**Item 4**            **Summary of Material Change**

The Issuer announced that it granted 6,033,333 incentive stock options to directors, officers, and consultants. The incentive stock options have an exercise price of \$0.08 per common share and are valid for a 5-year period from the date of grant. The Issuer also announced that it has issued 500,000 common shares to Chris Miller, the Chief Executive Officer of the Issuer and 600,000 common shares have been issued to two employees in satisfaction of certain consulting agreements dated December 30, 2017, as amended on April 13, 2020, regarding management and employee performance bonuses. The common shares were issued at a deemed value of \$0.08 per common share. All securities issued were subject to a statutory hold period of four months plus a day from issuance in accordance with applicable securities laws.

**Item 5**            **Full Description of Material Change**

**Item 5.1**          **Full Description of Material Change**

Please see the attached news release dated July 16, 2020.

**Item 5.2**          **Disclosure for Restructuring Transactions**

Not applicable.

**Item 6**            **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7**            **Omitted Information**

Not applicable.

**Item 8**            **Executive Officer**

Chris Miller, director and CEO  
Business Telephone: 844-255-6467

**Item 9**            **Date of Report**

July 20, 2020

# Koios Reports Impressive Reception and Performance of Fit Soda™ in the Product's First Year

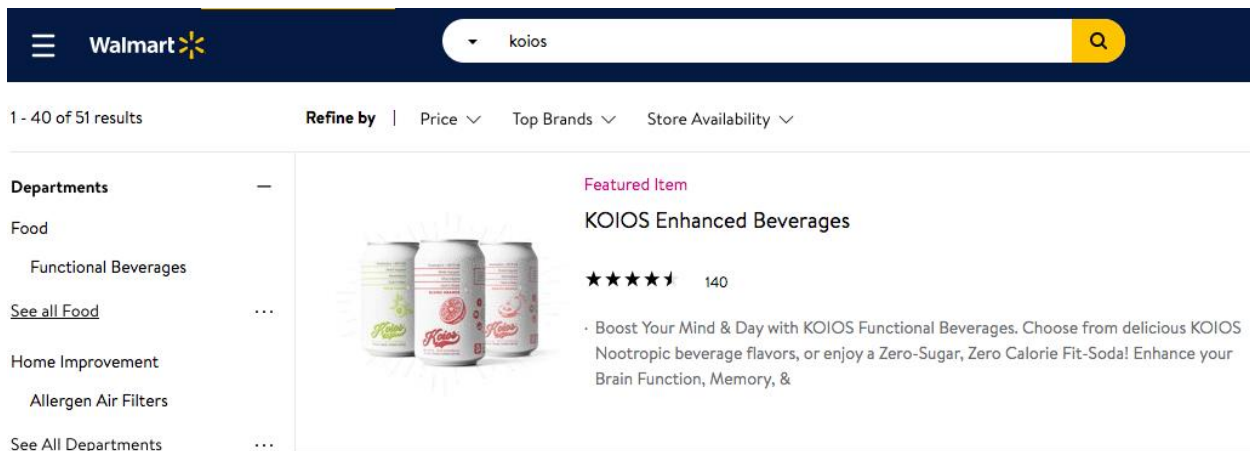
*Nearly one year after the official launch of Fit Soda™, Koios is pleased to announce that the product has achieved a presence in retail stores across the United States, in addition to being added to Walmart's U.S. online store. Offered in four unique flavours with no sugar and zero calories, Fit Soda™ has gained popularity as an attractive substitute for many legacy soft drink products. Targeted distribution efforts in Wisconsin, Colorado, and southern California have resulted in hundreds of stores carrying Fit Soda™, complementing online sales pipelines to include Walmart and the Company's own e-commerce platform. Fit Soda™ has been especially well-received in Wisconsin where it has already been placed in 90 stores, with 461% growth in purchase orders from May 2020 to June 2020.*

**DENVER and VANCOUVER, JULY 16, 2020 - Koios Beverage Corp. (CSE: KBEV; OTC: KBEVF) (the "Company" or "Koios")** is pleased to announce that its *Fit Soda™* functional beverage product is now being carried by a greater range of retailers in both brick-and-mortar stores and online. In addition to adding all four flavours of *Fit Soda™* to the United States online store of Walmart Inc. ("Walmart"), *Fit Soda™* is now available in a diverse selection of 90 retailers in Wisconsin, several sports nutrition retailers in southern California, and throughout Colorado in hundreds of independent stores, as well as two regional grocery store operators. Aside from an increase in the total amount of stores in which the *Fit Soda™* functional beverages are now sold, the Company's products are also stocked by new types of retailers to include gas stations and foodservice outlets.

The Company first announced its supplier relationship with Walmart on February 27, 2019, in a press release stating that Koios had secured a purchase order from Walmart to supply its products to 1,094 store locations across the United States. All five flavours of the *KOIOS™* branded nootropic beverages (Black Raspberry, Apricot Vanilla, Peach Mango, Blood Orange, and Pear Guava) were already available both in Walmart retail stores and on Walmart's online store when in April 2020, Walmart elected to carry the entire selection of the Company's beverage products by adding all four flavours of the *Fit Soda™* functional beverage (*Black Cherry Cola, Sparkling Citrus, Orange Creamsicle, and Root Beer Vanilla Float*). The Company believes that Walmart's decision to include all of Koios' beverage products on its online store reflects a strong vote of confidence in the Company's products which continue to garner positive feedback, with an overall brand rating of 4.5 out of five stars based on 140 reviews<sup>1</sup>. Following the introduction of *Fit Soda™* to Walmart's U.S. online store, overall sales volume for the Company's products have steadily climbed throughout the latter part of Q2 2020 and onward through the present quarter.

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<sup>1</sup> <https://www.walmart.com/search/?query=koios>



Screen capture from Walmart's U.S. online store taken July 15, 2020

Officially launched nearly one year ago on July 19, 2019, *Fit Soda*™ has proven popular among customers on Koios' online store, as well as through retail partners across the United States to include the retail stores of GNC Holdings Inc. ("GNC"). On GNC's online store, all reviews of *Fit Soda*™ have expressed five-star satisfaction ratings<sup>2</sup>.

In addition to the new distribution of *Fit Soda*™ on Walmart's U.S. online store, *Fit Soda*™ has also been placed on the shelves of hundreds of independent Colorado retail stores, as well as in locations of Colorado grocery store operators Alfalfa's Market, Inc. and Tony's Meats & Market . Wisconsin-based beverage distributor Bill's Distributing Ltd. ("Bill's Distributing"), with whom the Company announced a relationship in its February 25, 2020 press release, has also successfully placed *Fit Soda*™ in 90 retail settings across Wisconsin including gas stations, as well as hospitals. Order volumes through Bill's Distributing continue to increase, with 10,100 units purchased in the month of June 2020, reflecting a 461% increase from 1,800 units in May 2020. Koios has also established a presence in southern California, where *Fit Soda*™ can now be found at several points of sale in the sports nutrition category such as fitness centres (including locations of well-known chains), nutrition stores, supplement boutiques, and smoothie bars.

The Company has observed above-average turnover rates and sales velocity for all four flavours of *Fit Soda*™, a trend that it anticipates will continue with the recently increased availability of the product both in-store and online, as well as with any future introductions of *Fit Soda*™ to new markets.

Koios CEO Chris Miller commented, "We take great pride in working closely with our distribution and retailing partners to ensure that we are targeting the right regions and the right store types in order to both make our products accessible to those who already know about Koios, and to put our beverages in front of potential new users to prompt trials. In less than one year, our *Fit Soda*™ functional beverage has gotten placed in hundreds of retail stores across the country,

<sup>2</sup> <https://www.gnc.com/drinks/fitSodaBcaas.html?cgid=drinks>

and on Walmart's U.S. online store where customers continue to express their satisfaction with our offerings with positive reviews. Our regional focus in places to include Colorado, Wisconsin, and southern California has enabled us to gain amazing insights into what drives first-time and repeat purchases of *Fit Soda*<sup>™</sup>, and we plan to use these insights to shape growth-driven strategies for potentially introducing *Fit Soda*<sup>™</sup> to additional key markets in the near future."

The Company is also pleased to announce that it has granted 6,033,333 incentive stock options to directors, officers, and consultants. The incentive stock options have an exercise price of \$0.08 per common share (each a "**Share**") and are valid for a 5-year period from the date of grant. The stock options were granted in accordance with the Company's stock option plan.

The Company also announces that it has issued 500,000 Shares to Chris Miller, the Chief Executive Officer of the Company (the "**Insider**") and 600,000 shares have been issued to two employees in satisfaction of certain consulting agreements December 30, 2017, as amended on April 13, 2020 (the "**Consulting Agreements**"), regarding management and employee performance bonuses. The Shares have been issued at a deemed value of \$0.08 per Share.

The disinterested directors of the Company approved the Consulting Agreement with the Insider.

All securities issued will be subject to a statutory hold period of four months plus a day from issuance in accordance with applicable securities laws.

The share issuance to the Insider is exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 ("MI 61-101") by virtue of the exemptions contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in that the fair market value of the consideration for the securities of the Company to be issued to the Insider does not exceed 25% of its market capitalization.

On behalf of the Board of Directors of the Company,

**KOIOS BEVERAGE CORP.**

"Chris Miller"

Chris Miller, CEO, and Director

For further information, please contact:

Gina Burrus  
844-255-6467

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## **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 contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Often, but not always, forward-looking information and information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information in this news release includes statements regarding: Continued sales performance of *Fit Soda*<sup>™</sup> and potential introduction of *Fit Soda*<sup>™</sup> in new markets. The forward-looking information reflects 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 information. Although the Company believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. Factors that could cause actual results or events to differ materially from current expectations include: (i) adverse market conditions; (ii) changes to the growth and size of the functional beverage markets; and (iii) other factors beyond the control of the Company. The Company operates in a rapidly evolving environment. New risk factors emerge from time to time, and it is impossible for the Company’s management to predict all risk factors, nor can the Company assess the impact of all factors on Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking information. The forward-looking information included in this news release are made as of the date of this news release and the Company expressly disclaims any intention or obligation to update or revise any

forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable law.

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.

This news release may contain trademarked names of third-party entities (or their respective offerings with trademarked names) typically in reference to (i) relationships had by Koios with such third-party entities as referred to in this release and/or (ii) client/vendor/service provider parties whose relationship with Koios is/are referred to in this release. All rights to such trademarks are reserved by their respective owners or licensees.