

Koios Begins Distribution Initiatives in the Convenience Channel with 200+ Store Placements to Date in Colorado Including 7-Eleven and Shell Locations

As convenience stores continue to gain popularity as a point of purchase for everyday items, the Company is undertaking distribution initiatives to place its functional beverage products in convenience stores in the United States to complement existing placements in supermarkets, foodservice outlets, and sports nutrition retailers. With an initial focus on the convenience channel in the state of Colorado, the Company has placed its products in over 200 convenience stores across the state since Q4 2020, including locations of national chains such as 7-Eleven and Shell.

DENVER, CO and VANCOUVER, BC, FEBRUARY 12, 2021 - Koios Beverage Corp. (CSE: KBEV; OTC: KBEVF) (the "Company" or "Koios") recently began initiatives to place its canned beverage products in convenience stores to align its distribution channels with current purchasing patterns of the Company's target customers, particularly in light of changes related to the COVID-19 pandemic. Retailer accounts in the convenience channel have ordered Koios' canned beverages (predominantly *Fit Soda*[™], with quantities of *KOIOS*[™]) from the Company's distributors, resulting in placements in more than 200 convenience stores throughout the state of Colorado, including locations of national chains such as 7-Eleven and Shell. With over 100 convenience stores added in Q4 2020 as well as over 100 convenience stores to date in Q1 2021, Koios anticipates its beverage products will be placed in approximately 1,000 convenience stores in the United States by the end of the calendar year. As of this writing, the Company's beverage products are sold in over 4,000 retail points of sale in the United States, as well as online through Walmart and Amazon, in addition to the Company's online store. By enriching its multichannel retail strategy with a new focus on convenience stores, the Company intends to further expand its footprint in the functional beverage category, which was classified as one of the *Highest Growth Potential* consumer and retail ("C&R") investment categories by KPMG in 2020, with an estimated market value of USD \$208.13 billion by 2024 and a compound annual growth rate ("CAGR") of 8.66% from 2019 to 2024¹.

Over the course of 2020, convenience stores have played an increasingly significant role in the U.S. retail sector. Prior to the COVID-19 pandemic, many convenience stores enjoyed greater traffic due to macro-level factors such as busier lifestyles and smaller households, which appear to cause consumers to gravitate towards making smaller purchases more frequently at local shops². Approximately 93% of Americans live within a few minutes of a convenience store, with about 80% of convenience stores in the United States also being gas stations³, allowing for sustained patronage from local residents and motorists alike. The prevalence of convenience stores in American neighbourhoods may also have enabled growth in delivery app orders from convenience stores for everyday purchases, which increased by 346% in 2020⁴. Retail

technology giant NCR Corporation (“National Cash Register”) published a report in 2020 detailing the importance of convenience and fuel retailers in the COVID-19 pandemic, with one key attribute being how consumers are often turning to convenience stores as an alternative to grocery stores, which tend to sell out of essential items (e.g., non-perishable food, cleaning supplies) more rapidly⁵.

Despite continued restrictions related to COVID-19 in several regions of the United States, lower incidence rates in the state of Colorado have allowed for reopenings of many businesses at limited capacities to include restaurants for indoor dining, as well as fitness centres⁶. The Company believes that these reopenings could have contributed to a steady sell-through and reorder rate of its canned beverage products at new convenience points of sale in Colorado.



The Company's Fit Soda™ functional beverage cans in Orange Creamsicle, Root Beer Vanilla Float, and Sparkling Citrus flavours are pictured above in a convenience store refrigerator display, alongside other national brand sports drinks

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Koios Chief Executive Officer Chris Miller commented, “Our *Fit Soda*™ functional beverage product has become very popular ever since it launched in July of 2019, and it now makes more sense than ever for it to be carried in convenience stores alongside leading national brand names of sports drinks. As we announced in our [May 21, 2020](#) press release, more than 50% of

purchases from our online store are from repeat customers, and returns amount to less than 1% of our gross sales. With these levels of loyalty and retention, our objective is to maximize availability of our beverages to our customers in the places they prefer to shop, and convenience stores are becoming a prominent channel for this category. We hope to keep up our momentum with landing convenience store placements, and our goal is to reach 1,000 convenience stores by the end of 2021 as we seek to grow our overall footprint in this dynamic and rapidly evolving category.”

Sources

- 1 - <https://home.kpmg/xx/en/home/insights/2020/02/buyers-lens.html>
- 2 - <https://www.economist.com/business/2020/10/15/convenience-stores-may-benefit-from-covid-19-if-they-adapt>
- 3 - <https://www.cnbc.com/2020/03/18/americas-gas-stations-and-convenience-stores-grapple-with-an-uncertain-future.html>
- 4 - <https://www.ft.com/content/9b937d76-4bee-4b74-8c1c-5dddd5ae148e>
- 5 - <https://www.ncr.com/blogs/retail/convenience-and-fuel-retailers-are-more-essential-than-ever-during-pandemic>
- 6 - <https://www.denverpost.com/2021/01/04/colorado-level-orange-covid-restrictions/>

On behalf of the Board of Directors of the Company,

KOIOS BEVERAGE CORP.

“Chris Miller”

Chris Miller, CEO, and Director

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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: Potential outcomes from existing placements of Koios’ beverages in convenience stores and potential new convenience store placements. 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

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