

## **KOIOS BEVERAGE CORP. ANNOUNCES NON-BINDING LETTER OF INTENT TO ACQUIRE RETOX BEVERAGE CORP.**

**DENVER, CO** and **VANCOUVER, BC**, February 28, 2022 - Koios Beverage Corp. (CSE: FIT; OTC: FITSF) (the "Company" or "Koios") is pleased to announce that it entered into a non-binding letter of intent dated February 27, 2022 (the "LOI") with Retox Beverage Corp. ("Retox") in respect of a proposed transaction (the "Proposed Transaction"), whereby the Company would acquire all of the issued and outstanding securities of Retox by way of a three-cornered amalgamation. Retox is a privately held beverage company that is focused in the production of creative soft beverages, sodas and seltzers.

### **The Proposed Transaction**

The Proposed Transaction is expected to be structured as a three-cornered amalgamation, pursuant to which a wholly-owned subsidiary to be incorporated by the Company under the laws of British Columbia ("Subco") would amalgamate with Retox, with the entity resulting from such amalgamation becoming a wholly-owned subsidiary of the Company, and the holders of securities of Retox immediately prior to the amalgamation receiving an aggregate of 15,000,000 units ("Units") of the Company in exchange for their securities of Retox. The Units will be issued at a deemed price of \$0.10 per Unit, with each Unit comprised of one common share of Koios (each a "Share") and one common share purchase warrant (each a "Warrant"), with each Warrant exercisable for period of twelve months from issuance with an exercise price of \$0.175 per Share. The Proposed Transaction will be completed pursuant to available prospectus exemptions in accordance with applicable securities legislation.

Upon closing of the Proposed Transaction, the Company may also pay a finder's fee comprised of a combination of cash, Shares or Warrants of the Company (the "Finder's Fee").

Upon closing of the Proposed Transaction, the outstanding capitalization of the Company is expected to consist of approximately 51,126,457 Shares, and 813,333 options and 46,943,000 Warrants to purchase Shares of the Company, respectively, excluding any Finder's Fee issued. Current Retox shareholders are expected to own approximately 29.33% of the Company's common shares on a non-diluted basis, and 30.34% on a fully-diluted basis, before giving effect to the issuance of any Finder's Fee.

The Company and Retox agreed to negotiate in good faith the terms of a definitive agreement with respect to the Proposed Transaction on or before March 15, 2022 and to consummate the Proposed Transaction on or before March 31, 2022.

Upon closing of the Proposed Transaction, Retox will have the right to appoint one director to the board of directors of Koios.

The Proposed Transaction is subject to receipt of all necessary regulatory approvals, including, as applicable, approval of the Canadian Securities Exchange ("CSE"), completion of due diligence reasonable or customary in a transaction of a similar nature, and entering into a definitive agreement, among other conditions. The Proposed Transaction would be an arms-length transaction for the Company and would not constitute a fundamental change or result in a change of control of the Company, within the meaning of the policies of the CSE.

Chris Miller, CEO of Koios stated: “We are excited to announce the LOI to acquire Retox; the Company has been evaluating the ready-to-drink alcohol space for some time. We’re seeing new iterations to the seltzer market with Budweiser<sup>1</sup> just releasing its hard soda. With the wildly successful launch of Fit Soda and its accelerated growth, releasing a “hard” Fit Soda has been a priority for the Company for the past year. The hard seltzer category surged 130% in 2020<sup>2</sup>, helping the ready-to-drink category overtake spirits consumption, which is unprecedented. We believe many consumers are hungry for products that add additional benefits when consuming, along with more robust flavor options. We also believe this is a unique time in the space as innovation and consumer demand are soaring for better ready-to-drink alcohol products”.

Through the Company’s joint venture with Bev Creation LLC, the Company will be uniquely positioned to make and can its own alcohol line extensions. This will give Koios a formable advantage over smaller to mid-size beverage companies trying to break into the space. With the Company’s existing distribution, in-house production and experienced team, Koios believes it will be uniquely positioned to compete in this space.

### **About Retox**

Retox is a beverage company that is focused on the production of creative soft beverages, sodas and seltzers with a focus on formulating unique mixes of fruits and sodas specifically for the bar mix industry. It’s product line includes fresher, healthier and lower sugar alternatives than the current mix offerings that are not readily available in the industry.

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  
[gina@koiosbeveragecorp.com](mailto:gina@koiosbeveragecorp.com)

**Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.**

### **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

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<sup>1</sup> <https://www.anheuser-busch.com/newsroom/2021/12/bud-light-seltzer-kicks-off-the-new-year-with-its-loudest-flavor/>

<sup>2</sup> <https://www.theiwsr.com/hard-seltzers-are-evolving-not-dying/>

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: assumptions that are subject to significant risks and uncertainties, including assumptions that all conditions to the closing of the Proposed Transaction will be satisfied and that the Proposed Transaction will be completed on the terms set forth in the LOI. 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. Such risk factors may include, among others, the risk that required approvals and the satisfaction of material conditions are not obtained in connection with the Proposed Transaction, the risk that the Proposed Transaction is not approved or completed on the terms set out in the LOI or that a definitive agreement will be entered into in connection therewith. 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.

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.