

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Koios Beverage Corp. (the “Issuer”).

Trading Symbol: KBEV

Number of Outstanding Listed Securities: 81,226,600 common shares were issued and outstanding as of February 28, 2021

Date: March 4, 2021 (for the month of February 2021)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are “material information” as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Issuer, through its wholly-owned subsidiary Koios, Inc. ("Koios"), 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 GNC, Walmart Inc., and Wishing-U-Well. Together these retailers represent over 50,000 brick and mortar locations across the United States from sports nutrition stores to large natural grocery chains. Through its partnership with Wishing-U-Well, Koios also enjoys a large presence online, including being an Amazon choice product. Koios uses a proprietary blend of nootropics and natural organic compounds to enhance human productivity without using harmful chemicals or stimulants. Koios products can 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.

The Issuer continues to seek opportunities to expand its brand and increase distribution in Canada and the United States.

2. Provide a general overview and discussion of the activities of management.

During the month of February 2021, management's principal activities consisted of:

- entering into a distribution agreement with United Natural Foods, Inc. ("UNFI");
- announcing initiatives to place its canned beverage products in convenience stores;
- announcing that all five flavours of its nootropic beverage product *KOIOS* are now being carried by Good Earth Natural Foods Inc. ("**Good Earth**"), a chain of natural food markets in Utah;
- issuing convertible debentures in the principal amount of \$600,000 to an arm's length investor by way of a private placement ("**Convertible Debenture**");
- creating a subsidiary named Bevcreation LLC ("**Bevcreation**") by partnering with Beauty Gourmet LLC, which subsidiary is currently operating a commercial-scale beverage canning facility in the Denver, Colorado area;
- announcing that its *KOIOS* nootropic beverage products will be sold in all 11 supermarket locations of Market of Choice, Inc. ("**Market of Choice**"), a chain of grocery stores in Oregon;

- announcing that its nootropic beverage product KOIOS is now being carried in all locations of Matherne’s Market (“Matherne’s”), a Louisiana supermarket chain based in Baton Rouge;
  - announcing that its Fit Soda functional beverage product will be carried by Roche Bros. Supermarkets, Inc. (“Roche Bros.”), a supermarket chain of 21 stores operating under three banners in Massachusetts;
  - announcing that its KOIOS nootropic beverages can now be purchased at all grocery stores operated by Jensen’s Foods (“Jensen’s”), a long-established family-owned grocery chain operating in the San Diego, Los Angeles, and Palm Springs areas of Southern California;
  - announcing that in June 2021, the issuer intends to launch Fit Soda™ Hard as a “flanker” brand to its existing Fit Soda™ functional beverage product line;
  - expanding its product line and working with distributors to sell its products;
  - expanding e-commerce, direct to consumer and distribution platforms;
  - general management and administrative matters.
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

During the month of February 2021, the Issuer announced that it June 2021 it intends to launch Fit Soda™ Hard as a “flanker” brand to its existing Fit Soda™ functional beverage product line. The Fit Soda™ Hard variant is expected to contain fewer than 15 calories per serving and will be offered in the same four flavours as Fit Soda™ (Black Cherry Cola, Orange Cream, Sparkling Citrus, and Root Beer Vanilla Float). The Issuer plans to produce small batches of Fit Soda™ Hard in a canning facility operated by its subsidiary Bevcreation LLC. Through its distribution network, the Issuer intends to commercialize Fit Soda™ Hard in the “Mountain West” region of the United States (Arizona, Colorado, New Mexico, and Utah) beginning in approximately June 2021. Retail pricing for Fit Soda™ Hard is expected to be approximately USD \$1.80 to USD \$2.00 per 12 oz / 355 ml serving.

The Issuer also announced that that it has partnered with Beauty Gourmet LLC, a women’s functional beverage company, to form a subsidiary named Bevcreation which currently operates a commercial-scale beverage canning facility in the Denver, Colorado area. In addition to packaging the Issuer’s KOIOS™ nootropic beverages and Fit Soda™ functional beverages, the Bevcreation canning facility also presently undertakes contract production work for other functional beverage brands. This practice, which is known as “contract packaging” or “co-packing”, is a common strategy for consumer packaged goods (“CPG”) firms to maximize use of their respective infrastructures for manufacturing. Based on current bandwidth, the

Bevcreation canning facility's production slots are approximately 60% booked until at least early 2022.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

There were no products or services discontinued during the month of February 2021.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

During the month of February 2021, the Issuer announced that the full range of five flavours of its KOIOS™ nootropic beverages can now be purchased at all grocery store operated by Jensen's, a long-established family-owned grocery chain operating in the San Diego, Los Angeles, and Palm Springs areas of Southern California.

The Issuer announced that its Fit Soda™ functional beverage product will be carried by Roche Bros., a supermarket chain of 21 stores operating under three banners in Massachusetts (Roche Bros, Sudbury Farms and Brothers Marketplace).

The Issuer announced that its KOIOS™ nootropic beverage product will be carried to the beverage aisles of all locations of Matherne's, a local supermarket chain based in Baton Rouge, Louisiana.

The Issuer announced that starting on March 15, 2021, its KOIOS™ nootropic beverage products will be sold in all 11 supermarket locations of Market of Choice, a chain of grocery stores in Oregon.

The Issuer announced that all five flavours of KOIOS™ are now being carried by Good Earth, a chain of natural food markets in Utah.

The Issuer announced that it has entered into a distribution agreement with UNFI, the largest publicly traded wholesale distributor of organic, natural, and specialty food in the United States and Canada . Under UNFI's distribution agreement with the Issuer dated February 8, 2021, UNFI will carry KOIOS™ and Fit Soda™ functional beverages (collectively, "Koios Beverages") in the United States. As a new distributor of Koios Beverages, UNFI will begin exploring potential placements for KOIOS™ and Fit Soda™ in its distribution network to prompt trials of the product and ensure a steady supply to encourage and facilitate repeat purchases. UNFI has approximately 30,000 accounts to include natural product superstores, independent retailers, conventional supermarket chains, ecommerce retailers, and customers in the foodservice industry.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

There were no contracts or agreements between the Issuer, the Issuer's affiliates or third parties that terminated or expired and there weren't any previously announced financing arrangements that terminated during the month of February 2021.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

There were no asset acquisitions or dispositions by the Issuer during the preceding month of January 2021.

8. Describe the acquisition of new customers or loss of customers.

Please see item 5 above for a summary of new locations that will carry Koios Beverages thus increasing the Issuer's ability to attract new customer.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

There were no new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks during the month of February 2021.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

There were no employee hirings, terminations or lay-offs during the month of February 2021.

11. Report on any labour disputes and resolutions of those disputes if applicable.

There were no labour disputes during the month of February 2021.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

There were no legal proceedings to which the Issuer became party to during the month of February 2021.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

During the month of February 2021, the Issuer issued a CAD \$600,000 Convertible Debenture to an arm's-length investor by way of a private placement (the "Private Placement"). The Convertible Debenture is unsecured and bears interest at the rate of 15% per annum. The principal amount of the Convertible Debenture and accrued interest is payable on October 1, 2021 (the "Maturity Date"). The holder shall have the right at its option to convert all or a portion of the principal amount of the Convertible Debenture into common share at a price that is the lesser of the five-day volume weighted average price ("VWAP") for five trading sessions on the Canadian Securities Exchange ("CSE") immediately prior to the issue date and a 25% discount to the VWAP for the five-day trading sessions prior to conversion per common share or such minimum price as may be permitted by the CSE. The Company shall have the right, at its option, to redeem at any time prior to the Maturity Date, whole or any part of the Convertible Debenture then outstanding, at a redemption price (the "Redemption Price") equal to 115% of the aggregate principal amount of the Convertible Debenture to be redeemed as of the business day immediately preceding the redemption date, together with all interest accrued and remaining unpaid. The Company intends to use the proceeds from the Private Placement for working capital purposes. All securities issued in connection with the Private Placement will be subject to a four month hold period under securities laws.

14. Provide details of any securities issued and options or warrants granted.

During the month of February 2021, the following securities were issued:

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
Common shares	2,350,000	Exercise of various warrants with exercise prices of \$0.075 and \$0.10.	Proceeds received from the exercise of warrants will be used for general working capital.
Convertible Debenture	600	600 Convertible Debentures issued for gross aggregate proceeds of \$600,000	Proceeds received from Private Placement will be used for general working capital.

15. Provide details of any loans to or by Related Persons.

There were no loans to or by Related Persons of the Issuer during the month of February 2021.

16. Provide details of any changes in directors, officers or committee members.

As at the date of this report, the directors and officers of the Issuer are as follows:

Erik LeVang	Director
Sherron Lewis	Director
Josh Luman	Director
Christopher Miller	Director, Chief Executive Officer and Interim Corporate Secretary
Johannes (Theo) van der Linde	Chief Financial Officer

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

The trends and risks which are likely to impact the Issuer are detailed in the Issuer's MD&A for the interim period ended November 30, 2020 dated as of January 29, 2020, available on the Issuer's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In addition to the trends and risks detailed in the MD&A, COVID-19 is likely to impact the Issuer:

### **COVID-19**

The outbreak of the corona virus pandemic has impacted the Issuer's plans and activities. The Issuer may face disruption to operations, supply chain delays, travel and trade restrictions and impact on economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health-care challenge for the Issuer. There can be no assurance that the Issuer's personnel will not be impacted by these pandemic diseases and ultimately that the Issuer would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, Government response actions, business closures and business disruptions, can all have an impact on the Issuer's operations and access to capital. There can be no assurance that the Issuer will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets may reduce resource prices, share prices and financial liquidity and thereby that may severely limit the financing capital available.

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: March 4, 2021.

Christopher Miller  
Name of Director or Senior Officer

“Chris Miller”  
Signature

Chief Executive Officer  
Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer Koios Beverage Corp.		February 2021	YY/MM/D 2021/03/04
Issuer Address Suite 810 – 789 West Pender Street			
City/Province/Postal Code Vancouver, BC V6C 1H2		Issuer Fax No. (604) 687-3141	Issuer Telephone No. (604) 687-2038
Contact Name Christopher Miller		Contact Position CEO	Contact Telephone No. (303) 946-2728
Contact Email Address Chris@koiosbeveragecorp.com		Web Site Address <a href="https://koiosbeveragecorp.com">https://koiosbeveragecorp.com</a>	