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## Section 1: 8-K

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 11, 2019

### REED'S, INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-32501  
(Commission  
File Number)

35-2177773  
(IRS Employer  
Identification No.)

201 Merritt 7 Corporate Park, Norwalk, CT 06851  
(Address of principal executive offices and zip code)

Not applicable  
(Former name or former address if changed since last report)

Registrant's telephone number, including area code: (310) 217-9400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchanged on Which Registered
Common Stock, \$.0001 par value per share	REED	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Item 1.01 Entry into a Material Definitive Agreement**

Effective October 11, 2019 (the “Effective Date”), Reed’s Inc., a Delaware corporation (“Reed’s”), entered into a five-year manufacturing and distribution agreement (the “Manufacturing and Distribution Agreement”) and a recipe development agreement (the “Recipe Development Agreement”) with B C Marketing Concepts Inc., dba Full Sail Brewing Company, an Oregon corporation (“Full Sail”) for the development, marketing and distribution of ready-to-drink Reed’s Craft Ginger Mules. The Manufacturing and Distribution Agreement continues for a five-year term and automatically renews for up to three additional two-year terms, unless either party provides written notice of non-renewal at least 180 days prior to the applicable renewal period. Upon any termination of the Manufacturing and Distribution Agreement, other than a termination by Reed’s as a result of Full Sail’s breach or default, then Full Sail shall have the right to continue to manufacture the products for up to a 24-month period following such termination, at fair market rates with respect to comparable products, on terms and conditions to be reasonably negotiated in good faith and agreed to by the parties (“Post-Termination Co-Packing”). If a Post-Termination Co-Packing agreement is not reached, then Reed’s shall be obligated to purchase or reimburse Full Sail, at its cost, for up to sixty (60) days inventory of Full Sail supplies of ingredients and packaging materials which were reasonably procured by Full Sail in good faith in anticipation of the continued manufacturing of products. The Manufacturing and Distribution Agreement provides for an exclusive license of the Reed’s Ginger Beer brand to Full Sail and a royalty on sales of the co-developed products in the United States and Canada, payable to Reed’s. Pursuant to the Manufacturing and Distribution Agreement, Reed’s will receive the greater of 8% of net sales revenue or \$1.76 per case for the first 500,000 cases sold per year and the greater of 6% of net sales revenue or \$1.32 per case for all case sales in excess of 500,000 cases sold per year. In addition, Reed’s will receive 12% of net sales revenue on all case sales to Costco San Diego during for the first 12 months of the term. Following the first twelve months of the term, the royalty rate for subsequent sales to Costco San Diego will be included with the aforementioned sales tiers, per the amount of applicable case sales for such each year. Minimum royalty amounts from the Effective Date through December 31, 2020, January 1, 2021 to March 30, 2022 and April 1, 2022 to March 30, 2023 are expected to be \$250,000, \$800,000 and \$1,200,000, respectively, and subsequently increasing 5% in each year over the prior year’s minimum royalty amount. Full Sail may, in its sole discretion, make up any minimum royalty shortage by paying to Reed’s a lump sum cash payment for the first and the second years, as applicable. Reed’s may elect to terminate the agreement if Full Sail does not pay or make up the minimum royalty requirement in the first or second years or in any subsequent year in which Full Sail does not achieve the annual minimum royalty. The Recipe Development Agreement continues for the duration of the Manufacturing and Distribution Agreement and provides for the development of ready to drink mule and hard ginger seltzer recipes. Full Sail will be responsible for all costs relating to the development of the products, except for costs and expenses relating to the involvement of Reed’s personnel and contractors. Pursuant to the Recipe Development Agreement, the parties agreed to develop a joint Development Committee comprised of representatives of both Reed’s and Full Sail. The Development Committee shall meet regularly to discuss and approve development milestones. The final recipes, deliverables and specifications for the products must be agreed to in writing by at least one member of the Development Committee from each of Reed’s and Full Sail. Reed’s will retain ownership of the products. The agreements contain customary representations and warranties, insurance requirements and indemnification provisions.

The foregoing description of the agreements does not purport to be complete and is qualified in its entirety by reference to the full text of such agreements. The Company plans to file the Manufacturing and Distribution Agreement and the Recipe Development Agreement with its Quarterly Report on Form 10-Q for the period ending September 30, 2019.

## **Item 7.01 Regulation FD Disclosure.**

On October 15, 2019, the Reed’s issued a press release announcing the entry into the Manufacturing and Distribution Agreement and the Recipe Development Agreement with Full Sail. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Current Report on Form 8-K under Item 7.01, including the information contained in Exhibit 99.1, is being furnished to the Securities and Exchange Commission, and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as shall be expressly set forth by a specific reference in such filing.

## *Forward-Looking Statements*

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and Private Securities Litigation Reform Act, as amended, including those relating to the Company’s statements concerning the advantages of entering into the Manufacturing and Distribution Agreement and the Recipe Development Agreement with Full Sail and other statements that are predictive in nature. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management’s current beliefs and assumptions.

These statements may be identified by the use of forward-looking expressions, including, but not limited to, “expect,” “anticipate,” “intend,” “plan,” “believe,” “estimate,” “potential,” “predict,” “project,” “should,” “would” and similar expressions and the negatives of those terms. These statements relate to future events or our financial performance and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include those set forth in the Company’s filings with the Securities and Exchange Commission. Prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Current Report on Form 8-K. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

## **Item 9.01. Financial Statements and Exhibits.**

### **(d) Exhibits.**

Exhibit No.	Description
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99.1	<a href="#">Press release of Reed's Inc. dated October 15, 2019</a>
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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

REEDS, INC.,  
a Delaware corporation

Dated: October 15, 2019

By: /s/ Iris Snyder  
Iris Snyder  
Chief Financial Officer

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## Section 2: EX-99.1



### **Reed's Inc. and Full Sail Brewing Partner to Launch Reed's Ready-to-Drink Craft Ginger Mules**

*Partnership leverages Reed's authentic Ginger Beer market leadership and Full Sail Brewing's award-winning brewing and distribution capabilities*

NORWALK, CT and HOOD RIVER, OR, October 15, 2019 (GLOBE NEWSWIRE) — Reed's Inc. (Nasdaq: REED), owner of the nation's leading portfolio of handcrafted, all-natural beverages and Full Sail Brewing Co. ("Full Sail"), Oregon's award-winning craft brewer, today announced entry into agreements for the development, marketing and distribution of ready-to-drink Reed's Craft Ginger Mules, which come in two flavors: Classic and Zero Sugar. These new products will deliver to consumers authentic Craft Ginger Mules made with real, quality ingredients in convenient, take-anywhere cans.

Reed's Chairman of the Board and Interim Chief Executive Officer John Bello commented, "This agreement provides Reed's with Full Sail's focused product development, production and sales and marketing capabilities to drive national success, while allowing the Reed's team to remain focused on the expanded production and distribution of its core non-alcoholic brands. Like all of Reed's products, the new canned Reed's Craft Ginger Mule and Reed's Zero Sugar Classic Mule will be made with only real, quality ingredients including, of course, real ginger."

Full Sail Chief Executive Officer Cory Comstock said, "The new Reed's Craft Ginger Mules will leverage Reed's brand recognition along with our brewing capabilities, developing an authentic Ginger Mule profile."

Neal Cohane, Reed's Senior Vice President of Sales, commented, "Traditionally, to enjoy an excellent Ginger Mule, one would need to either order at a bar or mix one at home. Now, with the Reed's Craft Ginger Mules, a tasty beverage crafted with real, quality ingredients is as easy as opening a can at home, at the beach, or at an event."

#### **About Reed's, Inc.:**

Established in 1989, Reed's is America's best-selling Ginger Beer brand and has been the leader and innovator in the Ginger Beer category for decades. Virgil's is America's best-selling independent, full line of natural craft sodas. The Reed's Inc. portfolio is sold in over 35,000 retail doors nationwide. Reed's Ginger Beers are unique due to the proprietary process of using fresh ginger root combined with a Jamaican inspired recipe of natural spices and fruit juices. The Company uses this same handcrafted approach in its award-winning Virgil's line of great tasting, bold flavored craft sodas.

For more information about Reed's, please visit the Company's website at: <http://www.drinkreeds.com> or call 800-99-REEDS. Follow Reed's on Twitter, Instagram, and Facebook @drinkreeds.

For more information about Virgil's, please visit Virgil's website at: <http://www.virgils.com>. Follow Virgil's on Twitter and Instagram @drinkvirgils and on Facebook @drinkvirgilssoda.

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## **About Full Sail Brewing Co.**

Perched on a bluff in Hood River, Oregon, overlooking the mighty Columbia River's epic wind and kite surfing and the snow-capped volcanic peak of Mt. Hood, Full Sail is a true craft-brewing pioneer. Since 1987, Full Sail has been pouring pure Mt. Hood water, local ingredients and responsible processes into each and every pint. Full Sail's brews and sustainable practices have garnered more than 300 national and international awards, including more than 200 gold medals and Beverage World's "Craft Brewer of the Year" distinction. From Full Sail Amber and Session Lager to the latest Full Sail Hop-Infused Atomizer, Full Sail consistently strives to brew complex, balanced and ridiculously tasty beers. Learn more at [www.fullsailbrewing.com](http://www.fullsailbrewing.com), on Instagram @fullsailbrewing, and on Facebook @FullSailBrewingCo.

## **Forward-looking Statements**

Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of these forward-looking statements include statements concerning the advantages of entering into the manufacturing and distribution and recipe development agreements with Full Sail. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Risks are described more fully in Reed's filings with the Securities and Exchange Commission, including the "Risk Factors" section of Reed's Annual Report on Form 10-K for the year ended December 31, 2018 and its other documents subsequently filed with or furnished to the Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made. Except to the extent required by law, Reed's undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

## **CONTACT:**

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