



Reed's, Inc. Announces Transition from the Nasdaq Capital Market to the OTCQX and Close of \$2.5 Million Bridge Financing

February 14, 2023

The Company Anticipates Trading to Begin on the OTCQX on Thursday, February 16

NORWALK, Conn., Feb. 14, 2023 (GLOBE NEWSWIRE) -- Reed's, Inc. (NASDAQ: REED) ("Reed's" or the "Company"), owner of the nation's leading portfolio of handcrafted, natural ginger beverages, announced today its intention to transition from the Nasdaq Capital Market to the OTCQX US Market, operated by OTC Markets, Inc. ("OTCQX").

Reed's was given until February 13, 2023 to regain compliance with Nasdaq's bid price rule and the minimum stockholders' equity rule for continued listing on the Nasdaq Capital Market. After evaluating options to achieve compliance with the minimum stockholders' equity rule, Reed's board of directors determined that moving to the OTCQX was in the best interests of Reed's and its stockholders, in lieu of launching a dilutive capital raise.

Reed's received notice from The Nasdaq Stock Market LLC ("Nasdaq") on February 14, 2023, that the staff of Nasdaq's Listing Qualifications department (the "Staff") has determined that the Company's securities will be delisted from Nasdaq. Trading in the Company's securities will be suspended from the Nasdaq Capital Market at the opening of business on February 16, 2023.

Reed's will continue to be a reporting company under the Securities Exchange Act of 1933, as amended. Reed's has taken the steps necessary so that its common stock may be quoted for trading on the OTCQX, under its current trading symbol "REED" following the withdrawal from trading on the Nasdaq Capital Market. The Company anticipates trading to begin on the OTCQX on Thursday, February 16, 2023.

In addition to its transition to the OTCQX, Reed's is announcing the close of a bridge financing with Whitebox Advisors, LLC for net proceeds of approximately \$2.5 million. The loan carries a 10% coupon and matures on June 30, 2023, with no prepayment penalties or amortization. More information can be found in the Company's 8-k filed today with the Securities and Exchange Commission.

"We have decided not to take steps to satisfy the minimum shareholders' equity requirement to maintain our listing on Nasdaq," said Norman E. Snyder, CEO of Reed's. "We have explored all the options available to us and believe the decision to leave the exchange is in the best interest of the Company and its stockholders. Meeting the minimum shareholders' equity requirement would have required a significantly dilutive capital raise. We are grateful for our time with Nasdaq; however, we believe parting ways is the most sensible decision for our business. Between our continued double-digit revenue growth, cost-saving initiatives and recent bridge financing, we are well-positioned to improve profitability and turn cash flow positive later this year."

About Reed's, Inc.

Reed's is an innovative company and category leader that provides the world with high quality, premium and naturally bold™ better-for-you beverages. Established in 1989, Reed's is a leader in craft beverages under the Reed's®, Virgil's® and Flying Cauldron® brand names. The Company's beverages are now sold in over 45,000 stores nationwide.

Reed's is known as America's #1 name in natural, ginger-based beverages. Crafted using real ginger and premium ingredients, the Reed's portfolio includes ginger beers, ginger ales, ready-to-drink ginger mules, and hard ginger ale. The brand has recently successfully expanded into the zero-sugar segment with its proprietary, all-natural sweetener system.

Virgil's® is an award-winning line of craft sodas, made with the finest natural ingredients and without GMOs or artificial preservatives. The brand offers an array of great tasting, bold flavored sodas including Root Beer, Vanilla Cream, Black Cherry, Orange Cream, and more. These flavors are also available in nine zero sugar varieties which are naturally sweetened and certified ketogenic.

Flying Cauldron® is a non-alcoholic butterscotch beer prized for its creamy vanilla and butterscotch flavors. Sought after by beverage aficionados, Flying Cauldron is made with natural ingredients and no artificial flavors, sweeteners, preservatives, gluten, caffeine, or GMOs.

For more information, visit drinkreeds.com, virgils.com and flyingcauldron.com.

Cautionary Note Regarding Forward Looking Statements

Statements in this release that are not historical are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "opportunity," "generate," "confident," "intend," "next level" and

"will" and variations of such words and similar expressions are intended to identify such forward-looking statements. Among other things, quotations from management in this announcement as well as statements about Reed's expectations and anticipated dates are forward-looking statements. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. The ability of Reed's management to predict future events or conditions or their impact or the actual effect of existing or future plans or strategies is inherently uncertain. These forward-looking statements are not guarantees of future performance and involve risks, assumptions, and uncertainties, including those described in Item 1A (Risk Factors) of our most recent Annual Report on Form 10-K and in other documents that we file or furnish with the Securities and Exchange Commission, which you are encouraged to read. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. We expressly disclaim any current intention to update publicly any forward-looking statement after the distribution of this release, whether as a result of new information, future events, changes in assumptions or otherwise.

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