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VITALIBIS™

Vitalibis Reports First Quarter 2019 Financial Results

Company Realizes Initial Sales Revenue; Builds Scalable Foundation Ahead of Significant Marketing Initiatives in Second Half 2019

LAS VEGAS, May 13, 2019 (GLOBE NEWSWIRE) -- [Vitalibis, Inc.](#) (OTCQB: VCBD), a technology based formulator of premium hemp-based cannabidiol (CBD) wellness products, reported results for its first quarter ended March 31, 2019.

Key First Quarter 2019 and Subsequent Highlights

- Completed development of key commercial products in advance of significant second half 2019 marketing initiatives, including:
 - Launched the [Vitalibis Signature 600](#) CBD hemp oil, a premium full spectrum, phytocannabinoid rich hemp oil with approximately 600mg of naturally occurring CBD per bottle.
 - Launched the [Vitalibis Soothing Body Cream](#), made with a proprietary blend of oils, including Vitalibis' premium full spectrum phytocannabinoid rich hemp oil with approximately 400mg of naturally occurring CBD and other cannabinoids per tube.
- Formed strategic alliance with Bruce Lee Beverage to develop a proprietary, full spectrum phytocannabinoid rich hemp oil with 900mg of CBD per bottle and a proprietary blend of natural herbs and ingredients inspired by Bruce Lee's health and wellness practice.
 - Commercial launch expected to begin in the summer of 2019, leveraging Vitalibis' proprietary ambassador program and Bruce Lee's 25 million followers on social media.
- Appointed baseball legend Dusty Baker to the Company's Advisory Board and as a Founding Ambassador to educate and spread awareness of Vitalibis' full-spectrum phytocannabinoid rich hemp oil products in the sports world.
- Announced that the Company's proprietary Software as a Service offering underlying its Ambassador program is now available for licensing, offering eCommerce brands the ability to execute robust influencer programs for improved engagement and data management.
- Formed strategic alliance with Aromatics International to market and sell certain essential oils and natural aromatherapy products on the Vitalibis website.
- Appointed global authority in the fields of wellness and direct selling Oran Arazi-Gamliel to its advisory board.
- Launched the [Be Well Blog](#) to provide customers and Ambassadors with educational and informational content.
- Launched Earth Day 2019 campaign in conjunction with the Company's 'Better People, Better Planet' social initiative to provide a percentage of product sales to the general funds of several non-profits every month including: [Planet Bee Foundation](#), [One Tree Planted](#), and [Shark Allies](#).
- Engaged MZ Group to lead strategic investor relations and shareholder communication program in key global markets.

Management Commentary

“The first quarter of 2019 was highlighted by our continued foundation building ahead of the launch of our full-spectrum hemp oil in collaboration with Bruce Lee Beverage and the initiation of significant marketing initiatives,” said Steve Raack, Chief Executive Officer of Vitalibis. “We continued to develop our product portfolio, adding both the [Vitalibis Signature 600](#) CBD hemp oil and the [Vitalibis Soothing Body Cream](#) with naturally occurring CBD, while preparing our product development pipeline for the next generation of products – such as our incredible skincare product line, which we plan on launching in the second half of 2019.

“In addition to our developments on the product front, we continued to build brand awareness and add significant social influencers to our Ambassador platform, ranging from Dusty Baker, an MLB legend, to Bruce Lee Beverages and countless other smaller influencers as part of our macro-micro and nano-influencer strategy,” continued Raack.

“This is an incredibly exciting time for Vitalibis – we believe that 2019 will be a pivotal year for the Company, as the groundwork we’ve put in place over the last 18 months comes to fruition. We are well positioned as a thought leader in the space, offering differentiated products that are both safer than and fundamentally superior to competing products in the CBD market. I look forward to executing upon our immense potential and creating long-term value for our shareholders,” concluded Raack.

First Quarter 2019 Financial Results

- Realized first commercial revenue in the first quarter of 2019, generating \$140 thousand in revenue, primarily derived from the soft-launch of several Vitalibis products, as compared to no revenues in the first quarter of 2018.
- Gross profit in the first quarter of 2019 was \$51 thousand, representing a 37% gross profit margin, primarily driven by a sales mix weighted towards lower-margin CBD powder sales. The company expects gross margins to steadily improve over time as consumer products, which carry an approximate 80% gross margin profile, become an increasingly large portion of the sales mix.
- Cash used in operations in the first quarter of 2019 totaled \$286 thousand as a result of the Company’s capital-light, low-overhead operating model.
- Cash and cash equivalents as of March 31, 2019 were \$60 thousand compared to \$171 thousand as of December 31, 2018. Subsequent to the closing of the first quarter of 2019, the Company raised \$200 thousand via a convertible debenture.

About Vitalibis, Inc.

Vitalibis (OTCQB: VCBD) is a socially conscious brand focused on people, products and the planet. We are a technology based formulator of premium, full spectrum phytocannabinoid rich hemp products with naturally occurring cannabidiol (CBD), along with safe personal care and nutritional products. Our Ambassador program combines the best elements of social selling, ecommerce and affiliate marketing into one innovative program - empowering our people and social mission driven ecosystem. For additional information, please visit www.vitalibis.com.

Forward Looking Statements

This news release includes forward-looking statements that reflect Vitalibis Inc. current expectations about its future results, performance, prospects and opportunities. Vitalibis, Inc. has tried to identify these forward-looking statements by using words and phrases such as "may", "will", "expects", "anticipates", "believes", "intends", "estimates", "should", "typical", "we are confident" or similar expressions. These forward-looking statements are based on information currently available to the Company and are subject to a number of risks, uncertainties and other factors that could cause the Company's actual results, performance, prospects of opportunities for the remainder of 2019 and beyond to differ materially from those expressed in, or implied by, these forward-looking statements.

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**VITALIBIS, INC.
BALANCE SHEETS
(UNAUDITED)**

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
ASSETS		
Current assets:		
Cash	\$ 60,679	\$ 171,979
Accounts receivable, net	90	–
Prepaid expenses	59,374	60,608
Inventory	154,117	188,717
Total current assets	<u>274,260</u>	<u>421,304</u>
Long term assets		
Website development, net	<u>134,422</u>	<u>149,103</u>
Total assets	<u><u>\$ 408,682</u></u>	<u><u>\$ 570,407</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 44,147	\$ 63,841
Deferred revenue	–	105,159
Unsecured notes payable	3,937	11,389
Convertible notes payable, net	187,688	–
Total current liabilities	<u>235,772</u>	<u>180,389</u>
Total liabilities	<u>235,772</u>	<u>180,389</u>
COMMITMENTS AND CONTINGENCIES		
Stockholders' equity:		
Preferred stock; \$.001 par value, 5,000,000 shares authorized, none issued and outstanding	–	–
Common stock; \$.001 par value, 112,500,000 shares authorized, 30,496,400 shares issued and outstanding and 29,638,900 shares issued outstanding as of March 31, 2019 and 2018, respectively	30,496	29,639
Additional paid-in capital	4,547,768	2,913,903
Accumulated deficit	(4,405,354)	(2,553,524)
Total stockholders' equity	<u>172,910</u>	<u>390,018</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>\$ 408,682</u></u>	<u><u>\$ 570,407</u></u>

The accompanying notes are an integral part of these financial statements.

**VITALIBIS, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(UNAUDITED)**

	For the Three Months Ended March 31,	
	2019	2018
Revenue	\$ 139,585	\$ –
Cost of Goods Sold	(88,497)	–
Gross Profit	51,088	–
Operating expenses:		
Selling, general and administrative expenses	1,851,737	745,877
Professional fees	47,841	–
Loss from operations	(1,848,490)	(745,877)
Interest expense	(3,340)	–
Loss before provision for income taxes	(1,851,830)	(745,877)
Provision for income taxes	–	–
Net loss	<u>\$ (1,851,830)</u>	<u>\$ (745,877)</u>
Net loss per common share – basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.03)</u>
Weighted average common shares outstanding – basic and diluted	<u>30,165,622</u>	<u>27,314,589</u>

The accompanying notes are an integral part of these unaudited financial statements.

**VITALIBIS, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2019 AND 2018
(UNAUDITED)**

	For the Three Months Ended March 31,	
	2019	2018
Cash flow from operating activities:		
Net loss	\$ (1,851,830)	\$ (745,877)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization expense	14,681	–
Amortization of debt discount	5,688	–
Stock based compensation	1,634,723	712,994
Changes in operating assets and liabilities:		
Accounts receivable	(90)	–
Prepaid expenses	1,234	–
Inventory	34,600	–
Deferred revenue	(105,159)	–
Accounts payable and accrued liabilities	(19,695)	15,296
Net cash used in operating activities	<u>(285,848)</u>	<u>(17,587)</u>
Cash flow from investing activities:		
Purchase of assets	–	–
Net cash used by investing activities	<u>–</u>	<u>–</u>

Cash flow from financing activities:

Contribution of cash by officer	–	200
Proceeds from convertible debt issuance	188,000	–
Payment of deferred financing costs	(6,000)	–
Repayments on unsecured notes payable	(7,452)	–
Proceeds from equity issuance	–	301,000
Net cash provided by financing activities	<u>174,548</u>	<u>–</u>

NET CHANGE IN CASH

(111,300) (1,130)

CASH AT BEGINNING OF PERIOD

171,979 1,130

CASH AT END OF PERIOD

\$ 60,679 \$ –

Supplemental disclosure of cash flow information:

Cash paid for interest	<u>\$ 184</u>	<u>\$ –</u>
Cash paid for income taxes	<u>\$ –</u>	<u>\$ –</u>

Non-cash transactions

Common stock issued to officer for VOTOCAST license	<u>\$ –</u>	<u>\$ 200</u>
Discount on convertible notes payable	<u>\$ 21,000</u>	<u>\$ –</u>

The accompanying notes are an integral part of these financial statements.



Source: Vitalibis Inc.