

## NOTICE OF MATERIAL EVENT

### **COSTAS, INC.**

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**Orlando, Florida: May 6, 2022: Costas, Inc. (OTC Markets: CSSI) (the “Company”)** today announced via press release disseminated by Accesswire that the Company has entered into a formal acquisition agreement with Standard Dental Labs Inc. (“SDL”), a Wyoming corporation controlled by the Company’s CEO, James Brooks, in order to acquire certain assets including: (i) a ready to implement business model and platform for the identification and acquisition of small to medium sized dental labs in the United States, and (ii) a fully developed branding package created under SDL, including logo, website, presentation materials and corporate name. Under the terms of the acquisition agreement, assets valued at \$75,900 will be acquired through the issuance of a total of 32,509,260 shares of the Company’s unregistered, restricted common stock to SDL. The transaction is expected to close the week of May 9, 2022. The Company previously announced in February 2022 that shareholders of SDL unanimously voted to approve entry into a formal agreement with the Company.

The completion of this acquisition will cement the Company’s entry into the dental lab industry, paving the way for future acquisitions and consolidations in the industry.

The assets acquired from SDL will allow the Company to immediately facilitate the acquisition of small to medium sized dental labs, of which there are thousands in the United States. Similar models have been extensively utilized in the medical clinic and dental clinic industries over the past 30 years, but dental laboratories remain highly fragmented. The model calls for the consolidation of independently operated labs into larger, regionally managed labs in order to bring economies of scale and enhance competitiveness and product quality in regional markets.

Over the past several months, SDL has actively engaged with independent dental lab owners interested in selling their labs in the near term. With the recently acquired consolidation model and “ready to launch” branding, the Company expects to identify several suitable acquisition targets in the coming weeks and months, with the goal of becoming one of the largest operators in the industry. Consolidation of this industry, currently represented by 7,000+ privately owned businesses, is now the Company's core focus. The Company expects to quickly conclude negotiations with suitable targets, in order to acquire cash flowing, profitable businesses with a financial track record. The dental lab industry as a whole is estimated to be a \$10B market in the US alone in 2022 (source: Grandview Research, Aug. 2021), but is growing steadily.

### **About Costas, Inc.**

<http://costas-inc.com/about-us>

## **Forward-Looking Statements**

The statements contained in this release that are not historical facts are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "could," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursuant," "target," "continue," and similar expressions are intended to identify such forward-looking statements. The statements in this press release that are not historical statements, including statements regarding CSSI's plans, objectives, future opportunities for CSSI's services, future financial performance and operating results and any other statements regarding CSSI's future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts, are forward-looking statements within the meaning of the federal securities laws. These statements are not guarantees of future performance and are subject to numerous risks, uncertainties, and assumptions, many of which are beyond CSSI's control, and which could cause actual results to differ materially from the results expressed or implied by the statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict, and include, without limitation, results of litigation, settlements and investigations; actions by third parties, including governmental agencies; volatility in customer spending; global economic conditions; ability to hire and retain personnel; loss of, or reduction in business with key customers; difficulty with growth and integration of acquisitions; product liability; cybersecurity risk; and, anti-takeover measures in our charter documents. Any forward-looking statement is made only as of the date of which such statement is made. Except as otherwise required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise.

### **For Further Information:**

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